CIVIL SERVICE JOURNAL

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CSC goes out of business after 95 years... OPM begins, with Federal productivity improvement a key concern.

Partnership in Productivity

If you as a Federal manager think that civil service reform will make your life easier, you're wrong. That's the comment heard repeatedly at Ocean City, Md., where some 500 line managers and personnel people discussed the new law and how it would affect them. From speeches, workshops, and after-hours bull sessions came the realization that managers manage people, not merely programs; that knowing how to deal with staff is the key to improving government, to getting those merit pay raises. (If you'd like a report of the conference, write the Editor.)

By now, you should have read CSC's new booklet, "Introducing the Civil Service Reform Act" (agencies have bought over 2 million copies for all employees), and been briefed by someone in your agency about civil service reform. But now comes the tough part—making it work.

Making reform work, making government more effective, will require a three-way partnership—of managers, personnelists, and all employees and their exclusive representatives. We're moving out of a win-lose confrontation between supervisor and employee to a win-win cooperative effort, and the bottom line is restoring public trust in government, and confidence in its employees.

This issue of the ***Journal***, the first as a publication of the Office of Personnel Management, is the start of a new look at managing the Federal establishment—a monumental job, but one that requires a start. A recent survey of managers told us that you don't want more reading material clogging up your "in" baskets, so we publish these articles with some trepidation. But everyone has some discretionary time, even the busiest manager, and we expect that you'll want to spend some of it reading and talking about improving productivity.

In the coming months, as you talk with your employees, you'll need to define their jobs more carefully, set standards for those jobs, make sure that both you and they understand what those standards are. Then you'll have to measure their performance against those standards. It's tough work, as the Ocean City "500" discovered, and means that you'll have to face the emotionally trying experience of face-to-face confrontation with employees, judging their work, seeking improvements, refining common goals that move from a piece of paper into human activity, and deciding who gets a merit pay increase and who doesn't.

In short, the new law requires Federal managers to manage, to set identifiable goals, to learn the true strengths and weaknesses of their employees. This notion may seem larger than life, because we are all part of a system that has caused managers, over the years, to avoid the more painful aspects of management.

This issue of the ***Journal*** introduces the challenging subject of managing for productivity, and we'll continue to report manager's opinions and experiences on the subject. Articles between these covers merely define some terms, outline what productivity is, relate it to the manager's job in implementing reform, and present an array of management and union views. The April/June issue will highlight performance appraisal, and we expect to bring you some insights and practical experiences.

We welcome articles on your success (or failure), since our basic job is to be an information exchange.

Finally, a few words of thanks to our advisors: Chet Newland, University of Southern California, Washington School of Public Administration; Lou Phillips, on loan from the Commerce Department to head CSC's Productivity Task Force; Nancy Hayward, National Center for Productivity and QWL; Ted Mills, American Center for QWL; and a host of CSC staff who were brave enough to plunge into the cold and relatively uncharted waters of productivity... Doris Hausser, Sam Phillips, Bill Ginnodo, Kathy O'Brien, Don Wilson, and Teva Quammen.

The Executive Editor

About the Cover

Alan K. Campbell, who led the Civil Service Commission as Chairman and has been appointed by the President to be the first Director of the new Office of Personnel Management, looks on as the name change is made on the front entrance of the Washington, D.C., headquarters. More than a name changes, however, as Federal personnel management enters a new era that will include increased attention on such concerns as productivity improvement, the theme of this issue.

(Photo courtesy of the Washington *Star;* photographer, Glen Leach.)

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Shot Takes

Private Industry To Advise on SES, Merit Pay: Government has drawn on the best experience of private industry to design a bonus system for the Senior Executive Service and merit pay for GS-13/15 managers and supervisors. A conference sponsored by OPM brought together top compensation experts in industry and their counterparts in Federal agencies. Industry representatives included: W. D. Conley, Honeywell Corp.; Bruce Ellig, Pfizer, Inc.; Ben Muns, Ford Motor Co.; Bruce Overton, R. J. Reynolds Industries, Inc.; James Reese, American Telephone and Telegraph Co.; David G. Rogosheske, Control Data Corp.; and Gerald Walker, Metropolitan Life Insurance Co. Each of the some 65 industry compensation experts made an individual visit to the Federal agency with which he or she had been "matched" for consultation. Objective of the conference was to initiate a continuing dialog between Federal officials who have compensation responsibility and their counterparts in private industry who will apply their knowledge and experience to the particular requirements of the Federal service.

Ethics Law Signed: Senior Government officials (GS-16 and up) must now file detailed financial statements that will be open to public inspection. The Ethics in Government Act of 1978 applies to all three branches of government, although Congress and the judicial branch will monitor their own programs. Other provisions of the Act increase restrictions on what work employees in certain sensitive jobs may do after they leave Government; put a 15-percent-of-salary limit on outside earned income for senior Presidential appointees; and create an Office of Government Ethics in the Office of Personnel Management. Initial statements must be filed by executive branch personnel by May 15, 1979, covering calendar year 1978. Reporting forms will be available in agencies before the filing deadline. Reports will be available to the public, but it will be illegal to obtain or use a report for: (1) any unlawful purpose; (2) any commercial purpose; (3) determining a credit rating; or (4) use in soliciting money for political, charitable, or other purposes. Employees below GS-16 required to file financial statements under current regulations must continue to do so, but their reports will not be open to public inspection.

Overtime OK for Religious Holidays: Under the Federal Employees Flexible and Compressed Work Schedules Act of 1978, employees can take time off from work for religious reasons and make it up by working overtime instead of having to use annual leave or losing pay. Compensatory overtime equal to the time off from work may be made up either before or after the time off, but must be completed within a reasonable period. There is no restriction about the kind of religious holiday or observance. Any personal religious belief would allow an employee to ask for time off and the opportunity to make it up. The law contains a provision, however, that an agency may deny a request for time off for religious observances if it interferes with the agency's ability "to efficiently carry out the mission of the agency."

Flexitime and Part-Time: President Carter recently signed into law two bills designed to improve the working life of Federal workers, open employment to people who could not fit the previous work schedules, and provide more service to the public. The "flexitime" bill permits experimentation with flexible workhours, such as four 10-hour-day workweeks and other variations from the five 8-hour-day workweek. The law directs OPM to study and evaluate experiments in Federal agencies of varying size, location, and function to determine the effects of flexitime on Government operations, service to the public, use of mass transit facilities, energy consumption, employment opportunities, and the impact on individuals and families. At the end of 3 years, OPM will recommend to the President and Congress any changes desirable to permit permanent use of flexible and compressed work schedules. The "part-timers" bill is designed to increase the number of part-time jobs in the Federal Government, and requires agencies to expand part-time job opportunities at all grade levels up to GS-16 or equivalent. The law changes the way part-time workers are counted toward an agency's employment ceiling. Instead of counting as much as a full-time worker, they are now prorated according to the hours they work. The law also provides Government contributions toward employee health insurance prorated according to the amount of time the employee works. This does not apply to current part-time workers.

Study Finds Overgrading Problems: A Civil Service Commission report has indicated that as many as 150,000 (11 percent) of Federal jobs may be overgraded. The report is based on a 21-month study of a random sampling of all Federal white-collar jobs. The report also estimated 45,000 jobs (3 percent) may be undergraded, and another 70,000 are likely to have errors in their series or titles. The total cost of all these classification mistakes is estimated at $435 million a year. Agencies are responsible for correcting the misgradings. Reassigning employees and adding duties to misclassified positions are two solutions to the problem, while downgrading employees is generally only a last resort. OPM can authorize agencies to delay demotions associated with correcting classification errors, and the grade and pay retention provisions (retroactive to January 1, 1977) of the Civil Service Reform Act will give relief to eligible downgraded employees. These two measures are intended to minimize adverse effects on employees while allowing agencies to correct improperly classified positions.

Women in Top Jobs: Although increases in the number of women in supergrade jobs may seem small in each semiannual report, they have added up. The percentage of women in grades GS-16 to 18 has doubled since 1974, going from 2.1 to 4.2 percent. And while women hold only 2.6 percent of the competitive jobs in those grades, they now hold 14 percent of the noncareer supergrade positions.

--Howard Stevens

letters to the **editor**

to change or not to change our name

The inside front cover of the October/December 1978 issue of the *Journal* states that a new name is under consideration. I hope that your publication will continue to be called the *Civil Service Journal*. If it is not, I believe the term "civil service" will then have disappeared from official titles. It would be a pity to lose these words, which have a precise meaning, are commonly employed by governments the world over, and evoke an honorable memory of the history of our own government. Merit Systems Protection Board and Office of Personnel Management are excellent descriptions of the functions of these offices, but they connote systems and organizations being acted upon rather than people acting in the service of their government.

Keeping the name *Civil Service Journal* for the official publication of the personnel function of the executive branch is an appropriate way to suggest that the ideal of dedicated public service is still alive and worth striving for.

Cynthia Clark
Personnel Research and Development Center
Office of Personnel Management

...I am a civil servant in the National Ocean Survey working as a cartographic technician. I enjoy reading the *Civil Service Journal* and I have saved some issues including the "Bicentennial" *Journal*, January/March 1976.

I am aware that civil service reforms will be effective early in 1979. One reform will be to replace the Civil Service Commission with a Merit Systems Protection Board. While I am sure that the reforms are honest efforts to improve performance of the civil service, I do not approve of removing the term "civil service" from a government bureau whose mission is to set hiring and performance standards for civil servants.

The term "civil service" is a fine phrase in our English language and it has a long history. Will you please retain "civil service" in the name of the *Civil Service Journal* and use this phrase often?

Richard A. Cole
Chevy Chase, Md.

taking stock, etc.

I read with interest the article by Ross A. Marcou on "Comparing Federal and Private Employee Benefits" in the October/December 1978 *CSJ*.

There are two issues that disturb me. The first is that no mention was made of a widespread practice of corporations to offer their employees stock option plans, which is surely a benefit. In some cases the corporation provides stock as a bonus or on a cost-sharing basis, and some use it as a supplemental pay scheme. This may be included in the consideration of pensions or in the etc., but it certainly was not clear.

The other issue is the matter of annual leave, which the article refers to as vacation pay. Having worked for private industry, I know that employees can be excused by their supervisors to attend funerals or to take care of emergencies or even to stay home and watch the World Series. Not so in government. Every half an hour used for these purposes is deducted from annual leave earned. In the course of a year these items add up to a week or better. Two weeks' vacation with pay should not be directly compared to 15 days' annual leave per year.

Edward A. Howe
Chief, Financial Management Division, NASA-Langley Research Center
Past National Vice- President, Association of Government Accountants

former CSC chairman looks back and forward

...Once when I was much younger and lamenting over what I thought was a mistake made a year earlier in handling a piece of legislation for President Truman, I was told, "To live in retrospect is folly." It was meant to be a variation on "Don't cry over spilt milk," but I insisted that the two had entirely different meanings and said that I often found living in retrospect (meaning memory) was rewarding and gave great pleasure. Your words about... my contribution to volume 1, number 1, and your tribute to me (*Journal*, October/December 1978) triggered a whole host of memories. They have thronged through my mind in a kind of emotional retrospect, which I have found to be satisfying confirmation of my belief in the integrity and courage of most of the career executives it was my privilege to know in 42 years in Washington.

The timing of appearance of my article in the last issue seems noteworthy, coming as it did so immediately on the heels of action by both Houses on the reform legislation. Perhaps it will help to overcome the fears of those who think reform means the end of careers recognized for objectivity and nonpartisan administration, and strengthen the resolve to make careers truly meaningful in the provision of continuity and in recognition that institutional memory can help and not hinder impatient political officers.

Roger W. Jones
New Hartford, Conn.

the personnel officer as part of management

Here are two quotes from Thomas S. McFee's article in the April/June issue, "There's an Asper in Your Future":

"As ASPER...I have become part of management rather than the mere implementor of management decisions."

"Clear and complete direction of technical personnel matters will flow from the ASPER directly to heads of staff and servicing personnel activities, rather than following organizational lines established for program management control."

It is splendid that, as Assistant Secretary for Personnel Administration, Mr. McFee will take his rightful place as part of management in DHEW, but it does sound as if he intends to see to it that personnel officers down the line will not.

Perhaps I missed something, but I would like to see him clarify this point in a follow-up article.

Hazel W. Rea
Associate Director for Program Management
Intramural Research Program
Alcohol, Drug Abuse, and Mental Health Administration (PHS/HEW)

Thank you for your interest in my recent article, "There's an ASPER in Your Future."

My primary aim in the article was to reflect on the "coming of age" for personnel management in the Federal service, and particularly within the Department of Health, Education, and Welfare. Until now, the personnel function has been buried in the bowels of the bureaucratic structure. With the creation of an Assistant Secretary for Personnel Administration, we in HEW have officially announced that the personnel function has assumed its appropriate rank beside the other members of the HEW management team.

Obviously, this pronouncement alone will not cause dramatic change. But it has helped create the environment for change. Experience has shown me that personnel offices are most often called upon to provide "reaction" services to implement the "people" aspects of management's program decisions. Thus, the technical knowledges and skills of the specialist are not even used in making the decision.

My aim as Assistant Secretary for Personnel Administration at HEW is to lead us in another direction. I am speaking of the partnership we can develop as the personnel specialist assumes an advisory role up-front in the decisionmaking process. Time has come for the personnel officer, whatever the level, to become part of management "rather than the mere implementor of management decisions."

We believe the process known as "Functional Management" can facilitate our efforts. Just as "program" management authority and responsibility flow through established "program" lines, so technical personnel program management flows from personnel administration program heads at higher levels to personnel administration program heads at lower levels. This can improve the consistency and quality of personnel service at all levels, while leaving control clearly with the line manager.

My objective is clear. I want personnel management decisions to be made by line managers, but *I want those managers to be as well-informed as possible. At each organizational level, I expect the previously described management partnership to bring together at the front-end of the decisionmaking process the technical personnel expert and the program management expert. I believe this can produce the cooperative and supportive relationship of personnelist to manager that is needed for the best management decisions. For example, the time to involve the personnel officer in reorganization is when you are beginning to think about the alternatives—not after you have developed all the charts and mentally placed all the people.*

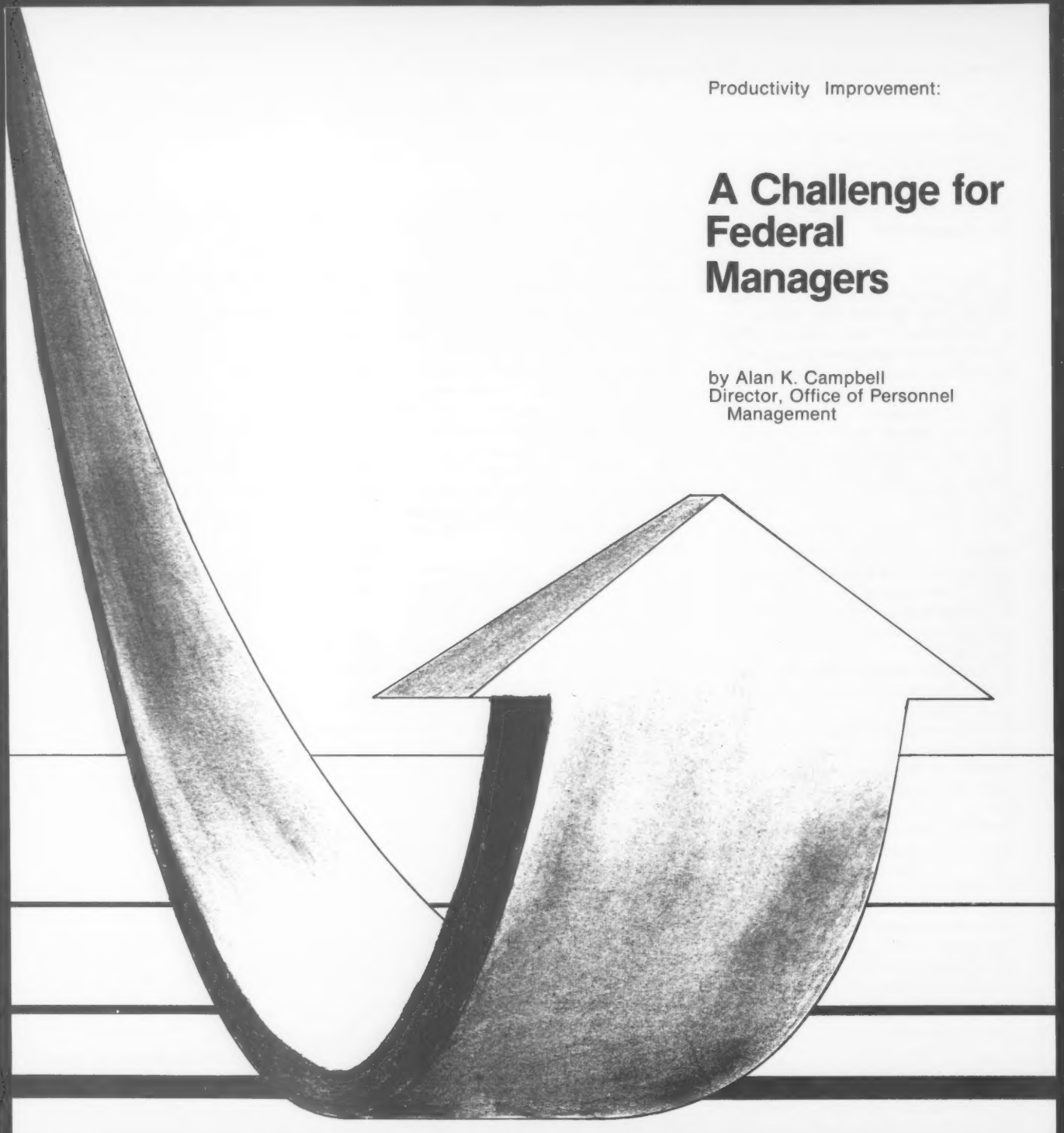
I am excited about the potential for improvement in the quality of technical personnel advice and the quality of personnel management decisions. In the spirit of reform, managers and personnel specialists together can truly change the environment of the workplace.

Thomas S. McFee
Assistant Secretary for Personnel Administration

Productivity Improvement:

A Challenge for Federal Managers

by Alan K. Campbell
Director, Office of Personnel Management



DECLINING PRODUCTIVITY growth is at the heart of many issues facing this country, including both inflation and unemployment. National concern about this country's economic health is reflected in the building pressure for improving government productivity. With government comprising one-third of the Gross National Product and providing many important services, its productivity performance cannot be ignored, no matter what the difficulties are in measuring it. Public insistence on government efficiency, as expressed for example through Proposition 13, has elevated productivity on the agenda of all government managers.

Responding to these concerns, the President recently established by Executive order a National Productivity Council. The Council will be chaired by the Director of the Office of Management and Budget, and will include representatives from the Office of Personnel Management, the Council of Economic Advisers, and the Departments of Treasury, Commerce, and Labor.

OPM has been given the leadership responsibility for Federal sector productivity. This role is welcomed for several reasons. First, it is the central management agency responsible for developing personnel management systems to enhance organizational effectiveness. Second, membership on the Council can provide top-level commitment and support to encourage the interagency cooperation needed in improving productivity. Such cooperation and sense of mutual purpose must be especially strong between OPM and OMB as they seek to provide leadership to executive agencies.

Last, and perhaps most important, is the relevance of civil service reform to improving Federal productivity. The reform legislation grew out of a comprehensive review of how Federal personnel practices enhanced or impeded effective public service. As passed, the reform permits greater managerial flexibility while holding Federal managers accountable.

The true test of reform will be seen in the coming months as its various elements are put to work. If reform is to make a difference, managers must use the new tools it provides. The key to productivity improvement is effective management, a need that calls for response from all levels of management—from the President, through Cabinet officers, to first-line supervisors, and all the intermediate levels.

Federal Productivity Program

To fulfill its role on the National Productivity Council, OPM is developing, with departments and agencies, a Federal productivity program that accommodates differing agency needs. The program will focus on strengthening management capability by encouraging the use of new concepts, techniques, and initiatives, and by assisting agencies to design their own systems to improve individual and organizational performance.

"The key to productivity improvement is effective management, a need that calls for response from all levels of government...."

Aimed at the major factors that influence productivity, the program will stress assessment, improvement, and recognition. These approaches can be applied at both organizational and individual levels.

Organizational Improvement

For assessment purposes, OPM will be joining in the development and application (for organizations) of at least three productivity measurement systems. Refining existing aggregate measures will allow comparisons across agencies and with private sector activities. Systems for measuring more specific programs will help managers monitor their unit performance. Finally, measurement systems for common administrative services, such as the personnel function, can be useful for interagency comparisons of cost-effectiveness.

To accomplish this kind of measurement will require the full cooperation of the Bureau of Labor Statistics. The help of BLS and the application of a bit of imagination should make possible important breakthroughs in measuring public sector productivity.

To help agencies improve their performance, OPM will maintain an integrated program of research, development, demonstration, and dissemination of techniques that work in the Federal sector. This will make it possible for OPM to assist agencies in both diagnosing and solving problems. Within OPM there will be Agency Officers supported by in-house consultants who will perform these functions.

Although much remains to be learned about how productivity can be improved, many techniques, when properly applied, can make a contribution. The techniques to be used, which already have been applied successfully in other sectors, include: job enrichment, group incentives, joint labor-management committees, redesign of physical work environments, financial management analysis, position management, improving the quality of work life, work planning and review systems, group problem solving, and analysis and redesign of organizational structures. Descriptions of some of these techniques and their applications can be found elsewhere in this issue of the *Journal*. Future issues of the *Journal* will highlight these and other approaches as they are developed and refined for Federal use.

One possible contributor to productivity improvement is capital investment. A variety of policies and procedures have effectively deterred its use up to now. OPM will encourage the development of capital investment programs, such as agency productivity revolving funds, which could be used to finance small investment projects designed to improve productivity. As a member of the National Productivity Council,

OPM will draw interagency attention to capital investment problems and opportunities.

A final set of productivity-related activities at the organizational level relates to how productivity improvements are recognized through managerial incentives. Managers will get as much as they give, in that their accountability for improvement will be recognized in ways that will benefit both them and their organizations.

In cooperation with OMB and BLS, the Office of Personnel Management plans to develop systems and procedures whereby agencies may use their productivity data in the budget process to allocate internal resources and justify budget and staffing requests to OMB and to Congress. A few agencies are already using data in this way, and OPM will encourage the expansion of such use. Further, to the extent that present budget practices discourage cost-savings, they must be examined and altered to have just the opposite impact.

Individual Improvement

OPM's responsibilities and opportunities for improving productivity are perhaps greatest in developing the performance of individual employees. As with organizations, OPM's productivity program for individual employees again reflects concern for assessment, improvement, and recognition.

Supervisors at all levels must be given the tools they need to improve their employees' performance. The reform legislation emphasizes techniques such as performance appraisal systems and employee discipline. Our review of the Federal personnel system found that while many of these tools were previously available, they were not used. The Reform Act provisions, especially merit pay, performance appraisal, the SES, and new disciplinary provisions, are specifically designed to encourage this use.

In the area of performance appraisal, the Reform Act requires that all Federal agencies create their own systems, and we encourage employee participation in developing performance standards for these appraisal systems. OPM will help agencies design the systems. Used effectively, such appraisals allow supervisors to judge how well employees are contributing to the overall productivity of their units.

Deficient performance will require remedy. A range of appropriate remedies, including training, job redesign, and feedback, will be available to supervisors, and OPM will provide agencies with models for applying them.

Finally, if improved performance is to be maintained, that improvement must be recognized. Supervisors must be able to acknowledge superior work with a variety of incentives and awards that fulfill their employees' individual needs. Here, too, OPM will help agencies develop meaningful systems. It might be added that poor performance must also be acknowledged and no longer tacitly accepted; OPM's guidance for employee discipline will be crucial here.

"The public expects and deserves a productive, effective government."

In all these areas, OPM hopes to develop a capacity to be helpful. In doing so, its primary guide will be the needs of the managers for whom these new tools are intended. With increased focus on, and accountability for, productivity improvement, providing assistance for accomplishing improvement will be central to OPM's guidance role, always in the context of delegating responsibility for personnel management as near as possible to the operating level.

Rather than insisting on uniform personnel operations, we will allow, and even promote, diversity. For example, merit pay systems need not be identical in all agencies; different units may use different methods, such as covering all GS–15's first or an entire sub-unit as a pilot project.

OPM will encourage creativity and innovation. In a sense, we will be more concerned with the fairness of the process an agency uses to develop a personnel system—and its results—than with the particulars of the system itself. The agency's program managers, whose own evaluations will rest on their units' productivity, should hold the personnel office accountable for having developed an effective system.

The dynamics inherent in these relationships suggest that an atmosphere of close cooperation among OPM, agency personnel officers, agency line managers, and employees and their unions will be vital if productivity improvements are to be realized by either the individual or organization. I believe that good working relationships are possible, and that the foundations for them were laid at the Ocean City Program Development Conference.

Productivity improvement is in the best interests of the entire Federal work force. The new flexibilities and accountabilities afforded by the civil service reform effort give Federal managers the tools and incentives they need to make that improvement.

Even this brief overview suggests that productivity improvement is ambitious. We undertake it and agencies participate in it with lean resources. This should not deter us, however. We can have an impact—if we think carefully, if we cooperate, and if we are committed to a common goal.

The importance of that goal cannot be understated. The public sector must recapture the trust of the people it is intended to serve. And restoring trust, once lost, is more difficult than retaining trust. The public expects and deserves a productive, effective government.

Perhaps even more important is that the nature of this society is fundamentally determined by the quality of the public sector. That quality permeates all walks of life and sets an overriding tone. If we in the Federal Government can capitalize on the opportunities and challenges that civil service reform and the National Productivity Council give us, we can help revitalize our economy and our country. CSJ

personnel research roundup

Poor Hiring Decisions Lower Productivity

In the years since 1970, the rate of productivity growth in the U.S. economy has slowed down markedly. According to a recent *Time* magazine article, the rate has dropped from about 3.5 percent a year to about 1 percent. Some commentators speculate that the decline is due to social changes. Some propose that the American work ethic is fading. Others maintain that today's better educated work force does not respond well to the authoritarian managerial styles characteristic of many organizations. Economists, according to another *Time* article, are "most uncertain what is causing the current slowdown in productivity."

The productivity decline almost certainly has more than one cause. Research findings in industrial-organizational psychology point to what might be an important overlooked reason: reduced efficiency in allocating people to jobs. Recent research indicates that the productivity differences measured in dollars between high- and low-performing workers are much greater than most psychologists have imagined. One study of budget analysts found that the dollar value of yearly productivity of superior performers (top 15 percent) was $23,000 greater than that of low performers (bottom 15 percent). For computer programmers, this difference was about $20,000 per year. These findings mean that selecting high performers is more important for productivity than previously thought. They also mean that declines in the accuracy with which society sorts people into jobs will lead to greater reductions in productivity. Has there been such a decline in accuracy? The evidence suggests there has.

Research in industrial-organizational psychology has firmly established that cognitive skills and abilities of various kinds are important determinants of success on many jobs. These abilities and skills can be assessed most reliably and validly among job applicants by written tests. The evidence is very strong that American industry has substantially reduced the use of such tests in making hiring decisions since the late 1960's. This reduction occurred in response to the threat of law suits alleging that such tests are discriminatory under the 1964 Civil Rights Act. Many companies have abandoned the use of personnel tests entirely. Typically, test use is discontinued not only for minority applicants but for all applicants, leading to an across-the-board decline in performance and productivity levels among new hires.

In addition, the productivity decline is probably accelerated by a different but related process: reduced work motivation among those whose abilities *are* well matched to the requirements of the job. Job performance standards may have to be reduced to accommodate new employees of lower performance capability. When employees already on the job notice these reductions, they often respond by adjusting their own performance to the lower standard. This productivity loss may be especially great among high performing employees. In addition, as it becomes generally known that requirements for entry to the job have been reduced, morale may fall, leading to further productivity and loss.

How important are personnel selection decisions to national productivity? A recent study conducted for the National Science Foundation concluded that $100 billion per year would be a very conservative estimate of the increase in the GNP that improved selection procedures could produce. The debate over the causes of our productivity decline is far from settled, but accuracy of our personnel decisions clearly warrants increased attention.

—Frank L. Schmidt,
Office of Personnel Management,
and John Hunter,
Michigan State University

Managers– The Ball Is in Our Court

by Thomas G. McCarthy

THE CIVIL SERVICE Reform Act offers a great opportunity for change in Federal personnel management. It gives managers a new freedom to manage through tailor-made evaluation systems, pay based on merit, a chance to try new ways through research and demonstration, and a Senior Executive Service where compensation and tenure will be linked to organizational success. It has given us new tools.

The ball is now in our court. The tools are only a beginning. The spirit and intent of the Act must be built into the fabric of our day-to-day management activities, and this will be no easy task. It will require the commitment, hard work, and courage of every Federal manager.

An old saying and a true one: We must believe before we can achieve. A problem many of us have is that our thinking has been scarred by Watergate, merit system abuses, and by the rote system of personnel management that we have had in the past. Our challenge is to shake off the past, master our thinking, and see the reforms as they are—a charter for managerial discretion and protection against merit system abuses. Only then can we commit ourselves to making the reforms a reality.

It will take hard work to implement the reforms. Developing new systems

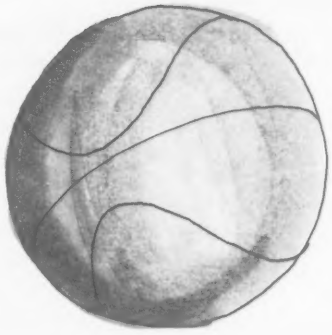
and procedures will call for the best that is in us. Personnelists can help us to come up with the nuts and bolts by drawing on their specialized training, looking to existing research (to the extent that it exists), and making new studies related to the issues. Federal managers, however, must decide at every stage the systems and practices that are to be established. The freedom to manage, implicit in the Reform Act, will be enhanced in the Act's implementation only if managers are involved personally in that implementation.

Discretionary Power

Most of all, it will take courage to fully use our new freedoms and to hold on to them when the going gets rough. It is one thing to complain, as we have in the past, about not having enough managerial discretion, and quite another to use the discretion when we get it. Experience shows that once we have discretion, we tend to look for ways to relieve ourselves of it. We tend to routinize what we do so that we do not have the burden of differentiating between people, supporting our actions, and accounting for our individual judgments.

The establishment of performance evaluation systems illustrates the need for commitment, hard work, and courage. The Act calls for performance standards for each job and performance evaluation systems tailored to the needs of each agency. The evaluation systems developed will be critical to the success of other parts of the legislation, such as the probationary period for new supervisors, merit pay, and the Senior Executive Service.

Evaluating employees is the most difficult part of personnel management. To tell people their strengths is easy. To tell them their weaknesses in a way that will inspire better performance, and especially when it will determine whether they will get a pay increase, is the toughest of all personnel work. It takes careful goal setting, job analysis, valid performance standards, and for best results, the



skills of a communication specialist, sociologist, psychologist, and behavioral scientist rolled into one.

What adds to the challenge is that most of us have not had many meaningful evaluations in the past—meaningful in the sense that we were told our strengths, our weaknesses, and our potential. As a result, we ourselves have little to draw on in the way of personal experiences.

"It is one thing to complain, as we have in the past, about not having enough managerial discretion, and quite another to use the discretion when we get it."

Overcoming Indifference

And the same is true for Federal employees generally. At best, they have grown indifferent to performance evaluations and most have little faith in them. We cannot rely on words to change these employee perceptions. What we do and how we do it will decide how employees perceive the new evaluation processes and the faith they have in them. Words will only supplement what we do.

There are difficult questions before us in developing performance evaluation systems. What efficient and effective ways can we devise to do job analysis and develop valid performance standards? How can we avoid excessive costs and delays in doing this? How can we build into the standards development the participation of employees? Where qualities such as conceptual ability are of great importance, how can we make the standards sufficiently broad, and yet sufficiently precise to be meaningful? What can we do to avoid straightjacketing ourselves so that we can facilitate quick changes in standards to meet changing work situations?

Gigantic as the job is, we have the imagination to work out the answers to these questions. We will come up with sound performance evaluation systems tailored to our needs.

The jury, however, is out and will be out for some time on whether we have the courage to make distinctions among employees that will determine their pay, and the courage to measure up to the difficult justifications and explanations that follow. A meaningful evaluation system means that not everyone will get the same. Just as the distribution of talents, skills, and diligence is not the same for all employees, so, too, can there not be sameness in evaluations of their work.

Managers making evaluations will have to earn their spurs anew each day. The decisions will be strange at first. There will not be the crutch of the old evaluation system, which resulted in the same rating for almost everyone. There will be the urge, as past experience shows, to relieve ourselves of the burden by setting up some simple, standardized way to give the same to all. This must not happen. If it does, we will have forfeited the managerial discretion so vital to motivating employees, and we will be off the path of reform.

Why It Can Work

We have many things going for us as we implement the reforms. The President has expressed his high regard for people in government and

has reemphasized the importance of personnel management. The Reform Act implicitly affirms that managers are the nerve centers and sinews of an organization, and that they must have the freedom to manage.

The Act, for the first time, makes fundamental distinctions between managers and other employees, by prescribing a new probationary period for new supervisors, merit pay for managers at GS-13 through 15, and a totally new personnel system for senior executives. This difference in treatment can be the foundation for managerial team building—a managerial esprit de corps. It announces clearly that managers will be treated differently because they have a special purpose and a special responsibility to fulfill their agencies' missions.

Ethics, more than ever, can be a source of energy as we work with employees to implement the reforms.

"Managers making evaluations will have to earn their spurs anew each day."

Ethical values are in the forefront of employees' thinking. Employees want to be associated with organizations that observe what is right. They are judging what we do and how we do it in terms of these values. If in what we do as managers we demonstrate the highest in ethics and morality, this will be a greater incentive for them to take the extra step and give their full support for what we do.

And truth, so vital to intelligent decisionmaking, is working for us. Getting the truth has always been a challenge for managers. The information we get is often filtered, and to the extent that it is, the quality of our decisions suffers. If we leave the doors of communication open, we will find that our employees will not hesitate to express their views and assert what they perceive to be the facts. This openness will be an invaluable asset in decisions implementing the reforms.

The next few years are crucial for management in the Federal service. The practices and the attitudes that we create with the new reforms may determine the quality of Federal management for the next generation. Only through the commitment, hard work, and courage of every Federal manager will the job get done. Let's do it! CSJ

The author is Regional Director, Seattle Region, Office of Personnel Management.

what they're saying about productivity

"The American people place inflation at the top of the list of things about which they are concerned. One of the major factors fueling inflation is the slowdown in the productivity growth in our country. Productivity per person-hour has decreased from a 3.2 percent annual growth rate to 1.6 percent in recent years. This also has a very adverse effect as we compete with other nations whose productivity growth has been much higher."

President Jimmy Carter

"The aging of workers born in the post-World War II "baby boom" and the consequent improvement in their experience and training should boost productivity in the 1980's."

Daniel Brill
Assistant Secretary
of the Treasury

"Literally, productivity is a measure of what you get out for what you put in. But a common understanding of the subject ends there. Though economists have a number of ideas about what lies behind America's productivity slump, it remains to most of them somewhat of a puzzle.

The factors most frequently cited as contributing to the slowdown are:

—A fall-off of capital investment by industry.

—A large influx of relatively inexperienced teenagers and women into the labor force, estimated at 15 million, or 80 percent of the growth in the labor force over the last 10 years.

—The rise of service occupations, which are often thought of as less productive than manufacturing jobs.

—A slackening in the introduction and development of new technology."

Bradley Graham
Washington *Post*

"Maybe some people just enjoy getting a paycheck. I like to know my job is done well. But my job isn't to talk to you like a human being anymore. I'm nothing but a machine now. I have the exact phrases I'm allowed to say. They had me on the carpet last week for saying I'm sorry once too often because I felt a person needed to hear it. We aren't people anymore. We're machines now. I'm a machine, but only until they can find a real one to take my place."

a telephone operator

"...we have lost fully one-third of our productivity growth, and productivity is the only source of an expanding economic pie from which competing social claims can be satisfied."

Edward Denison
Brookings Institution
Washington, D.C.

more on page 19

feedback

CSJ

To comment on Jan Orloff's "Public Management Program Graduates: Public or Private Sector Bound?" in the July/September 1978 *Journal*, I will compare the LBJ School experiences with Cornell's School of Business and Public Administration experiences in public and private sector placement....

The Lyndon B. Johnson School recommended eight nominees for the Presidential Management Intern (PMI) program. Four became finalists; one was an alternate, but then became a finalist. At this time, four of the five have definitely accepted appointments, while the fifth finalist is waiting for a very specific offer.

Each of the five was asked by several agencies to consider opportunities. Also each received invitations to come to D.C. for an interview at an agency's expense. All of the PMI's received more than one position offer.

During the process the students were to face certain frustrations in dealing with the various offices involved with the PMI process. However, the incidents seemed isolated and not demoralizing to the finalists. Indeed their experience evidenced a strong agency interest and commitment to the Presidential Management Interns. Thus in the LBJ School's case, Chairman Campbell's hope that the Federal service could attract the best and bring them into the service with a "certainty that they were right to choose public service" rings true.

Not being associated with a business management program, LBJ School students have had few opportunities to be recruited into the private sector. Presently only two types of private groups actively recruit at the School: Houston oil companies and consulting firms with public sector clients. The oil companies are interested in students who have interned with them and who have energy policy experience. Thus we have only a few students who are recruited to these usually lucrative positions. The oil companies' recruitment and hiring procedures have been exemplary.

Consulting firms interview all students who indicate interest, but usually hire only students or graduates with significant public agency experience. The consulting firms also insist that the candidates have the ability and interest to "hustle" for clients. For many of the LBJ graduates, this "hustle" element is a turn-off. Thus while the consulting firms offer outstanding opportunities for a few graduates, they by no means compare in popularity with the State, Federal, and, increasingly, local agencies that hire the graduates.

Perhaps the strongest evidence that LBJ School graduates have both success with and commitment to the public sector can be seen in statistics indicating the sector employment of the six graduating classes (figures are not complete for the Class of 1978). Thirty-eight percent are presently employed at the State level, 15 percent at the local/regional level, 19 percent at the Federal level, 14 percent in the private sector, 11 percent with nonprofit groups, and 3 percent in international organizations. Close to half of those in the private sector are working with public sector related consulting.

Like the Stanford graduate, LBJ School graduates experience rapid mobility, choice of assignments, and good salaries in the public sector. A few still do choose to accept positions with the private sector, particularly with the consulting groups. However, as the statistics show, those who do are few and far between. The curriculum of the LBJ School, without the influence of a business school, is strongly public agency oriented. Issues dealt with in classes frequently have Federal origin, although, increasingly, State and local issues are taking precedence. Thus the statistics are likely a reflection of the School's solid public agency focus.

Working more closely with Federal agency personnel is, in my experience, crucial for student placement, internships, and curriculum input. The LBJ School has been fortunate to have key Federal agency personnel visit the School to meet with faculty and students and to discuss policy issues with which the agencies are concerned. Informal recruitment is indeed a part of each visitor's agenda. Although few of these visitors could directly and permanently hire a student, they can and do offer internships and temporary appointment opportunities. For many LBJ graduates, temporary assignments are adequate beginning positions. One graduate who began as a temporary "expert" at HEW 2 years ago has advanced rapidly in her temporary status and is reluctant to turn to a career appointment....

The Lyndon B. Johnson School is strictly a policy school and has no formal relation to the University of Texas Business School; thus it is a school quite different from the Cornell School of Business and Public Administration. This difference, to some degree, can account for our differing perceptions of the future of MPA's in Federal employment. LBJ students simply are not courted by private sector agencies to the extent that Federal agency recruitment would need to compete with private sector recruitment tactics. Therefore, the LBJ graduates are more willing to hassle the front-end hiring difficulties and indeed do so with almost a sense of great challenge. The search and position seizure approach is legendary at the School, and much psychic encouragement is offered by all observers to those students willing to take on the effort. This ethos may account more for our differing impressions of the student job hunting experience than anything else.

Indeed, we would like to see major changes in the Federal entry processes, and giving agencies the right to hire directly could be a grand solution. Certainly our experience with the normal entry routes to career service is a miserable one. Only a tiny number of LBJ graduates have entered through the mid-level or PACE. Still, with PMI, Graduate Co-op, and reorganizational changes, I am optimistic and convinced that things have improved—at least for the LBJ School graduates.

Wilda Campbell
Placement Director
LBJ School of Public Affairs
University of Texas

Productivity, Job Satisfaction, and the Office Work Space

by David Alessi, Mike Brill, and Dorothy Fowles

PRODUCTIVITY and job satisfaction in the office are fast becoming critical issues in business and in government. With the information-handling and service sector of the economy now at 45 percent of the Gross National Product, and about 42 percent of the U.S. work force in offices, the productivity of *office* workers is just starting to come under scrutiny, as that of manufacturing workers did earlier this century.

One dismaying result of such scrutiny is to find that the costs of the office component of businesses have increased much faster than the costs of business as a whole. In 1960, office costs were 25 percent of the total cost of the business. In 1975, they were 40 percent.

We have a situation where the fastest growing sector of the economy is relatively unproductive, and where office workers feel that something is wrong. Signs saying "TGIF" or "You don't have to be crazy to work here, but it helps" are office jokes with a deadly serious message.

Efforts to solve these problems are being made that manipulate the various reward systems and conditions of the office, such as flexitime, job redesign, forms of remuneration, management structure and style, and participation in decisionmaking. Little attention has been given to using the physical environment of the office in these efforts, yet it is a powerful shaper of individual and organizational behavior, both of which affect productivity and job satisfaction.

Office Space as a Tool

Environment can and should be conceived of as a tool that performs work. The shape of the office, its sequence of spaces, placement of furniture and equipment, light, color, and sound can all be used to support (or hinder) the activities that go on in offices. Well-known examples of environments as tools are: a stadium that allows large numbers of people to view a sports event; a hospital's operating suite, which provides the conditions necessary for surgery through its plan, a series of increasingly antiseptic spaces acting as "locks" against contamination; and a factory's floor plan, which is a perfect analog of the workflow process it must support.

"Signs saying 'TGIF' or 'You don't have to be crazy to work here, but it helps' are office jokes with a deadly serious message."

Conceptualizing *office space* as a "tool" seems harder for many people, yet it works in a similar manner. Studies by environmental psychologists and research-oriented designers in both office and laboratory settings show how privacy, personal space, territoriality, noise, lighting, and other factors affect task accomplishment and satisfaction. The noise and crowding studies are especially interesting, because they show that people's task performance remains lowered even *after* they have left noisy or crowded environments.

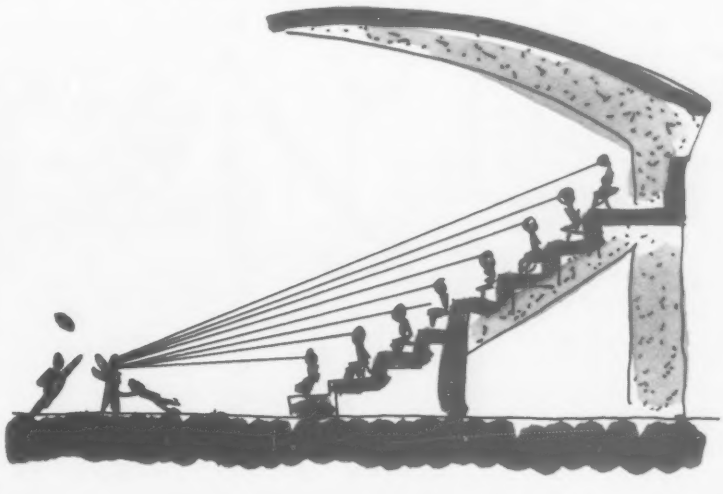
Many private corporations have, in the past decade, done extensive analysis and revamping of their offices with measured results of increased productivity and job satisfaction.

☐ McDonald's corporate headquarters in Chicago, opened in 1971, sought to achieve a status-free environment, with privacy and openness at the same time, and to achieve psychological as well as operational objectives. They used open planning and specially designed work situations. They report that "turnover among clerical *and* administrative workers dropped 75 percent . . . and that morale and spirit increased."

☐ In the Weyerhaeuser Corporation offices, after the installation of carefully designed systems furniture in an open office layout, 35 percent of the workers felt they were making faster, better decisions. It is useful to note that workers are quite willing to report reductions in capability as well as increases, in anonymous questionnaires.

☐ At the Reader's Digest's General Books Division in New York City, 1 year after installation of high-performance, flexible systems furniture, they report an increase in workflow and communications between project members and a 25 percent increase in the number of projects in motion at one time.

Sight Lines as a Function of Form



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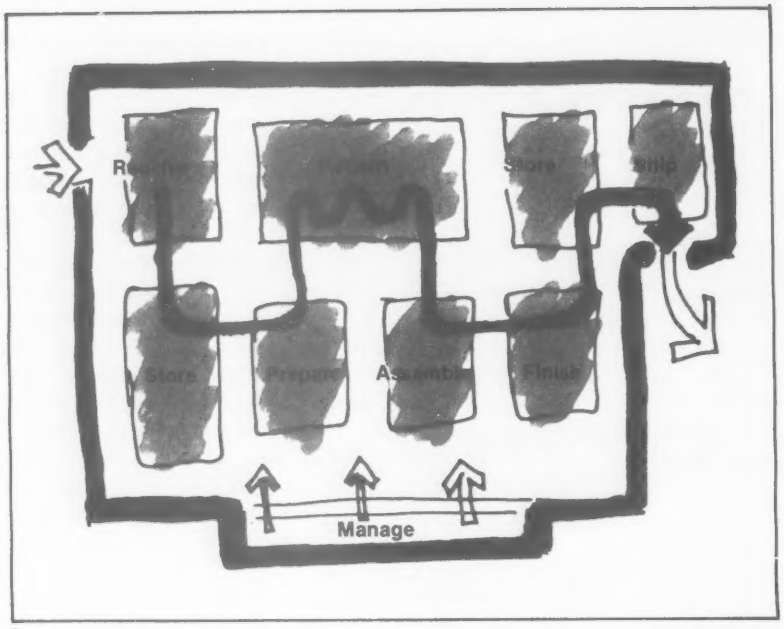

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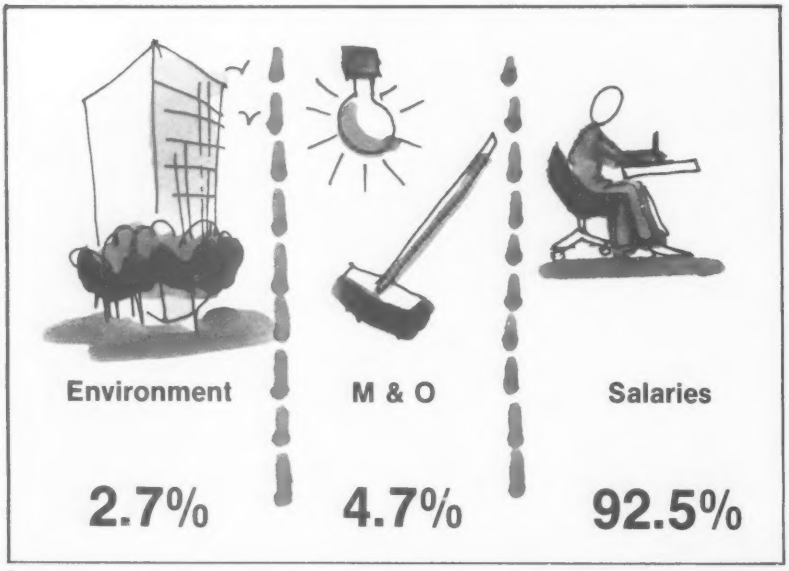
□ In a lighting study done by the Social Security Administration, productivity of typists increased *28 percent* when lighting was increased from "50-foot candles" to "150-foot candles."

Costs of the Office System

Two major points have been made so far. The first is that productivity in the office is a serious problem, and the second is that the physical environment of the office is a powerful shaper of behavior and activities, and can be used as a tool to better support job accomplishment and increase job satisfaction. The third major concept is that intervention through the office's physical environment is an economically feasible strategy to increase productivity.



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Office space is part of a larger *system* designed to accomplish a mission. That system includes buildings, furniture, equipment, operating energy, policy, management, maintenance, and people who do the work. Each of these has a cost. The sum of all of these is the cost of the mission. In both the public and private sector, the office's mission is to add value to information in a management decision process. If we look at mission costs over time, we see that in the office the ratio of costs of the physical environment (including costs of operations and maintenance) *compared* with costs of people over a 25-year period is:

Environment		People
Physical Environment 2.7% + Operations, Maintenance 4.7%	1 to 12	Salaries or People Costs 92.5%

Even after only 10 years, this cost ratio of environment to people is 1 to 9. Given the fact that physical environment strongly affects behavior, and that its costs are a small percentage of mission costs, then changes introduced in the office work space (a small cost) can have real leverage on people (a large cost)—and through them, on productivity and job satisfaction.

The last point to make is that the office is an institution under stress from: (a) the increasing introduction of complex and expensive systems of business communications and data technologies; and (b) the impact of these on social and managerial norms. The office is in a period of high-cost, fairly swift transitions, with only limited capacity to predict the impact of decisions as they affect the office environment. The environment can be used (or not) to support these transitions.

The Productive Office

What are the characteristics of the productive office? How can we change from our present notions of the office to one in which the office is consciously designed as a tool for work, and more highly supportive of individuals and groups?

The Buffalo Organization for Social and Technological Innovation (BOSTI), a Buffalo, N.Y., based environmental design research firm, is currently conducting a research project to answer these questions. The project is supported by both public and private sector sources and will have direct liaison with GSA's Office of Construction Management and with a parallel project to be conducted by Public Works/Canada.

The research has two goals:

—To organize and present information from many fields that focuses on the relationship between the physical environment of the office and the productivity and job satisfaction of office workers.

—To identify gaps in knowledge about these relationships and to design an agenda for research and other actions to fill these gaps, leading to the development of guidelines for design and management of office environments.

"...the office is an institution under stress...."

The procedure for carrying out this research involves three major steps:

1. Describing what is already known about the impact of the office's physical environment on the productivity of office workers through an exhaustive literature search and contacts with experts in many fields.

2. Organizing all material to be directly useful to office managers and designers.

3. Presenting, discussing, and resolving divergent opinion about the critical issues through a mail survey of experts and at a joint U.S./Canadian working conference.

The outputs of the proposed research are:

1. A state-of-the-art report on the relationship between the office's physical environment and the productivity and satisfaction of office workers.

2. A set of specially commissioned papers on critical issues in the field.

3. A description of the "most probable futures" for the office over the next decade.

4. A research agenda that identifies high-priority unresolved issues, and develops research programs and other actions to address these issues.

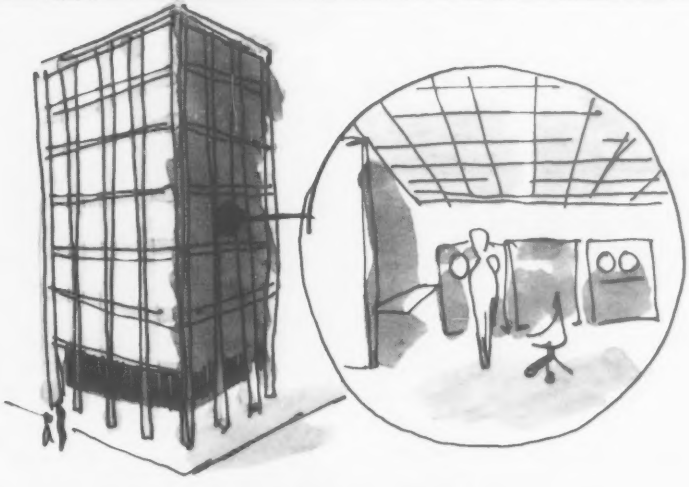
5. A set of design and management guidelines for the office, which will be updated as work progresses on the research agenda.

Critical Issues in the Project

Because of its importance, economically and for job satisfaction, the field of environmentally enhanced office work will demand solutions to current problems in the next decade. The current project develops a structure for future efforts and gives some preliminary answers. But it is not yet a "field."

A lot of work has been done, in such diverse disciplines as psychology, sociology, architecture, human factors engineering, management, organizational development, business communications technology, and operations research. Each has a different paradigm that generates different problems to study, methods to use, data to collect, and forms of analysis. There has been little cross-talk among these disciplines about the office, and some disciplines don't even see environment as an issue. Yet our work shows that many of their concerns have environmental implications. For example, flexitime has implications for office density and space utilization, job redesign affects work station design and office layout, and a quality work environment can be a reward just like money.

Each type of current research has pluses and minuses. Results of in-use studies done in the office are directly applicable to the office but suffer from the measurement problem of too many variables. Laboratory-type studies tend to deal with very few variables, measured very well, but are



Building, Furnishings, Equipment Are *10%* of Total Mission Cost

4

not real work situations. Studies and experience in other contexts, like hospitals, schools, and aerospace settings, provide information but can't easily be generalized to the office. But if we look at all these studies simultaneously, they are complementary, and can generate patterns and insights that one type of study alone could not give.

There is also the issue of what productivity *is*, for different job types. We can measure directly the productivity of clerical workers, by counting keystrokes, number of forms processed, and other means. For knowledge workers and managers, indirect and complex measures must suffice, for the *results* of their decisions are distant (in time and space) from the actual decision point. In any organization, all levels of workers form the human component of the system to achieve the office mission, and ways must be found to measure their team performance so that intelligent and cost-effective decisions can be made.

Preliminary Findings

Preliminary findings include a set of basic environmental requirements that appear to affect productivity in the office. These requirements can be identified under two categories that apply to both knowledge and clerical workers: job accomplishment and job satisfaction.

Job accomplishment involves conditions that must be present for workers to effectively perform their tasks. These are work process needs.

Job satisfaction involves conditions that must be present for workers to be content with their work situation. These are largely environmentally related psychological and social needs having to do with peoples' feelings about different situations in the office and their relations with co-workers.

The following is a checklist of environmental concerns that can have a positive impact on the office worker:

A. Work process needs for *job accomplishment*.

1. Individual worker needs:

—Space allocation: Specific types and amounts of space to perform job tasks in appropriate locations.

—Human factors: Accommodation of individual differences in physical dimensions, strength, and perception.

—Tools: Including furniture and equipment, in working order and appropriate for job tasks.

—Adaptability: Work space adjustable to individual work habits and job task changes.

2. Work group needs:

—Space allocation: Specific types and amounts of space for group gathering, movement, and interaction.

—Interaction and communication: Provisions for interaction and communication within the group and with other groups as required by job tasks.

—Tools: Tools, including furniture and equipment, in working order and to support interactions.

—Adaptability: Work space adjustable to accommodate changes in group size, group structure, and task requirements.

3. An enabling management climate with supportive attitudes and actions.

B. Environmentally related psychological and social needs for *job satisfaction*.

1. Environmental mastery: Individual control over work environments, based on an understanding of the adjustability and interrelation of components and enhanced by environmental training and encouragement to change components to better fit individual work needs.

2. Privacy controls: Individual control over privacy levels associated with work habits and task needs, including visual control of distractions from outside the individual's work area and acoustical control for isolation and confidentiality.

3. Comfort: Individual feelings of comfort with the ambient environment including lighting, temperature, humidity, and ventilation.

4. Pathfinding and orientation: Ability to find one's way around the building and know one's location within the overall space, based on graphic systems and physical layout.

5. Self-expression and group expression: Personal decorations and display in individual and group work spaces as well as in public places projecting the organization's image.

6. Status differentiation and identification: Appropriate means of nonverbal communication of status and role identification.

7. Sense of belonging: Fostering a sense of belonging by identification with organizational image and goals and through informal social interactions and activities.

8. Aesthetics: Enhancing the visual quality of the work space by thoughtful layout and arrangement, lighting, choice of colors and materials, and distribution of artwork and plants.

9. Maintainability: Appropriate levels of maintenance of the work space and work equipment, including cleaning, repair, and waste management.

10. Security: Personal property and work output being safe from theft and workers being free from personal harm.

11. Safety: Being free from physical danger from health, threats, accidents, and fire hazards.

The broad range of concerns associated with each of these factors can be illustrated by the following examples related to acoustical privacy, which workers report is the most unsatisfactory quality of most offices:

—It is not a sound-free environment, but *control* over the level of acoustical privacy that is at issue. Many people want some noise.

—Hearing others implies they can hear you, so it is seen as difficult to hold a private conversation. Hearing voices as unintelligible "background" is more acceptable than hearing intelligible conversation.

—In open-planned offices, aside from physical ways to reduce noise, there must be some social learning to prevent people from walking through an office and feeling they must greet everyone at every work station they pass. (''How ya doin', Mary?'' is called the Idiot Salutation.) At the same time, there is some evidence that random, ''interesting'' noise increases performance in repetitive tasks, and decreases performance in creative or thoughtful tasks.

—In planning open offices, the concept of mixing typists with technical personnel (to get rid of the secretarial pool) creates noise problems for both.

—From interviews, it appears acoustic privacy is strongly associated with status. Yet the number of necessarily secure conversations per week seems to be very low. Expression of status is a legitimate concern, but it does not necessarily require total acoustic privacy.

Some (very) preliminary guidelines might be:

—In trying to solve acoustic problems, all components of the office must be seen as a *system* for controlling noise.

—Space too sparsely occupied as well as too densely occupied will present acoustic privacy problems.

—In open offices, the primary treatment should be a highly absorbent acoustical ceiling, followed by treating other surfaces.

—Consideration should be given to a ''white noise'' system that creates masking sound in the office and reduces speech intelligibility.

—Isolate noise producers, like typists, in planning the space.

—Engage in some social learning to reduce unnecessary interruptions of other people.

—In an open office, provide small quiet rooms reserved for secure conversations and small meetings, both social and work-related.

This discussion of acoustical privacy is an example of the issues to be approached within each category. And all categories must be cross-linked so that efforts made in one don't erase efforts made in others. The office is a system whose total behavior can support or reduce productivity and job satisfaction. CSJ

The authors are an environmental designer, an architect, and an interior designer in BOSTI, a non-profit research firm that specializes in problem solving in the office.

what they're saying about productivity

"I like my job and I like working. I just don't like management lately. I went to work last week and we had an order for 200 pieces of steel. OK, I got 198 good ones to ship. The foreman said don't put those two bad ones back on the machine. Go up there and mark their tags 'OK.' So me—I'm cheating the customer and I don't like it. I see rust on the material. I question them [management] about it and they say ship it but put the rust side down. I've got no say-so on what I ship another person. The same thing is turned around when I want to buy something. I go out and buy a car that doesn't go. I say hey, UAW, you guys are building poor cars! But it all goes right back to management for making me ship bad steel in the first place."

a steelworker

"...there are still people who seem to believe that when they hire workers, they're hiring 'hands.' "

George Sherman
Vice President for
Industrial Relations
and Personnel
Midland-Ross Corporation

"Productivity must be put on the national agenda. We must somehow get the interest, the motivation, and the attention of the average individual."

C. Jackson Grayson
Chairman, American Productivity
Center, Houston, Tex.

"Given the extraordinary diversity of occupations found in the Federal Government, the possibilities for innovative work scheduling that can improve the quality of work life for the employee and have a positive effect on productivity for the organization are virtually without limit....Certainly these new scheduling systems bring with them some significant challenges for managers as well as some potential problems. Just as certainly, these schedules are not going to be appropriate for all. They are *alternatives*, not *replacements*. Nonetheless, properly used, these schedules represent a new and useful tool for managers, which may result, in conjunction with other productivity-oriented initiatives, in improved organizational effectiveness."

Barbara L. Fiss
Office of Personnel Management

Measuring Federal Productivity

by Jerome A. Mark

FOR MANY YEARS the Bureau of Labor Statistics (BLS) has been publishing measures of labor productivity—output per hour—for the private sector and for certain industries. Until recently, these measures have been limited to the private sector because of the conceptual difficulties and limitations of available data. However, with the increased importance of government, and growing concern over its rising costs, the need to develop measures for public agencies has become increasingly important, and BLS has been working for several years to meet this need.

We have been collecting data and developing productivity measures for those Federal activities whose quantitative outputs could be consistently counted from year to year and be related to the manpower used in their production. While BLS has been the collecting agency, and responsible for developing and refining the measurement techniques, the program was first under the joint sponsorship of the General Accounting Office, Civil Service Commission, Office of Management and Budget, and until recently, the National Center for Productivity and Quality of Working Life.

This article summarizes these measurement efforts, and examines the concepts and some of the problems involved in developing the measures, and the findings.

Concepts and Measures

Just like the private sector, Government uses its employees and other resources to produce goods and services. As producers, Government managers should be concerned with maximizing production from a limited amount of resources. The efficiency with which they convert their resources into goods and services is their productivity. The measure of productivity is generally defined as the ratio of output (goods and services) to one or more of the inputs (labor, capital, energy, etc.).

In developing the productivity ratio, the units of output of the individual goods and services are aggregated into production indexes by appropriate weights, and the resulting production index is then divided by the input measure.

Although it would be desirable to have several types of productivity measures relating output to more than one input, this work is limited to relating output to *labor* input because of a lack of adequate information for the others. Although the measure relates output to labor, it does not measure the specific contribution of that labor to production. As with any single factor productivity measure, the output per unit of labor measure reflects the joint effect of a variety of factors such as changes in technology, capital stock, size of operations, as well as labor's contribution. For example, the use of additional machinery, though not reflected in the labor input measure, would probably increase output and therefore cause labor productivity to rise.

The relevant concept of output for a given organization is its final products or services—that is, the products or services that left the organization or were for use outside the organization. Thus, all other activities are intermediate and viewed as part of final output measured; they are not counted separately. Designating an output as final or intermediate depends on the level of the organization being studied.

For example, in general, *support* activities (number of personnel actions processed) would be viewed as intermediate for the agency. However, these same personnel actions would be considered final for the personnel office. Similarly, the agency's outputs could be considered intermediate to the Federal Government if they were used by another Federal agency in producing *its* final outputs.

The current sample of 1900 output indicators from 319 Federal organizations represents a mix of several levels of government. Since the measure for the total sample includes outputs intermediate to the Federal Government level, the overall measure does not represent "Federal Government productivity" but rather the average of the productivity changes of the Federal organizations included in the sample. Nevertheless, the overall measure does provide some insight into Federal productivity trends.

Additionally, the 319 organizational measures returned to the agencies can be used by that group of managers to analyze their own productivity. In this connection it would be desirable to have final product detail at all levels to provide each manager with information on change in the real cost of each unit's output.

In determining final output indicators, managers have to identify specific units of service that are countable, are fairly homogeneous over time, can be adjusted for quality changes, and reflect a significant proportion of the agencies' workload. And since historical trends are useful, it is important that the measures be derived from readily available records. Although adequate for a good portion of Federal activities, this approach may not be possible for some activities for which output is difficult to define, such as those associated with national policy and basic research.

The nature of the indicators varies substantially. They include such diverse items as trademarks disposed, tanks repaired, weather observations made, square feet of buildings cleaned, electrical power generated, and deportable aliens located. The output volume ranges from several hundred units completed per year (e.g., river basin studies) to billions (e.g., pieces of mail delivered).

The labor input is based on the number of paid employee years, treated as homogeneous and additive, with no adjustments made for the various types of labor.

Measurement Problems

As Federal managers, we have several important problems in measuring productivity. First, it is often difficult to define and quantify the outputs of our organizations, since they usually do not produce clearly specified physical products such as those in the goods-producing private economy. For example, I doubt if measures can

Table 1

Indexes of Output Per Employee-Year, Output and Employee-Years for the Overall Federal Sample FY 1967—77 (FY 1967=100)

	Output Per Employee-Year	Output	Employee-Years
Fiscal Year			
1967	100.0	100.0	100.0
1968	101.1	103.7	102.6
1969	103.5	107.1	103.4
1970	104.0	107.4	103.3
1971	105.6	108.8	103.0
1972	106.3	109.0	102.6
1973	109.3	110.7	101.3
1974	108.7	110.9	102.1
1975	110.4	112.8	102.2
1976	112.2	113.7	101.3
1977	115.5	115.7	100.2
Year-to-Year Percent Changes			
1967-1968	1.1	3.7	2.6
1968-1969	2.4	3.2	0.8
1969-1970	0.5	0.3	-0.2
1970-1971	1.6	1.3	-0.3
1971-1972	0.6	0.2	-0.4
1972-1973	2.8	1.5	-1.2
1973-1974	-0.6	0.2	0.8
1974-1975	1.5	1.7	0.1
1975-1976	1.7	0.8	-0.9
1976-1977	2.9	1.7	-1.1
Average Annual Rates (Least Squares) 1/			
1967-75	1.2	1.3	0.0
1967-76	1.3	1.2	0.0
1967-77	1.3	1.2	-0.1

1/Average annual percent change based on linear least squares trend of the logarithms of the index numbers.

Source: Bureau of Labor Statistics, U.S. Department of Labor

ever be developed for basic research such as in the National Aeronautics and Space Administration, or for agencies concerned with national policy such as the State Department.

Moreover, after the output indicators are specified, they must be detailed enough to represent a homogeneous group of services. If the output units represented by the output indicator are not homogeneous, and if over time the proportion changes between units that are more labor-intensive and less labor-intensive, the resultant output per employee year measure will reflect shifts in the types of output as well as the true productivity change. In the survey, the main approach used to attack this problem has been to press for more detail in the data collection. For example, the initial measure for the Postal Service was a single output indicator of the number of pieces of mail handled. By examining other Postal Service data, we learned that detailed output indicators were available covering types of mail and classes of postal service such as registered mail, first class mail, and money orders. The current measures for the Postal Service are based on these data and now take into account shifts in the importance of different types of mail services.

There is the additional problem that some reported outputs do not reflect changes in quality. Definitions of quality are quite ambiguous and measuring these changes can be difficult. For our purposes, changes in output quality can be viewed as changes in the characteristics of the output associated with differences in the labor requirements to make these changes. For example, in a data processing unit where the output indicator is number of forms keypunched, redesigning a form to provide more information, which requires more key strokes, is a quality change. Thus, if the output index is not adjusted for quality change, the resulting measure of efficiency will reflect not only changes in productivity but changes in quality as well.

Outputs having long cycle times also present difficult problems. Quantifying such outputs only in the year they are completed produces output measures not consistent with the associated inputs. When cycle time extends beyond one year, the proportion of long-term output produced in each year is estimated, or the outputs are broken down into component parts, each completed in a relatively short time.

Closely related to the problem of quantifying output is the difficulty of measuring work contracted out. In these cases, the final output measure for a Government agency may reflect not only the efforts of Government employees but also those of the contractors. It is important, then, to determine which output is exclusively associated with Government employees since the input measure is limited to them.

Reorganizations also present difficulties in obtaining consistent output and input data. Whenever a reorganization occurs, respondents are asked to submit consistent data on the basis of either the new or the old organizational structure.

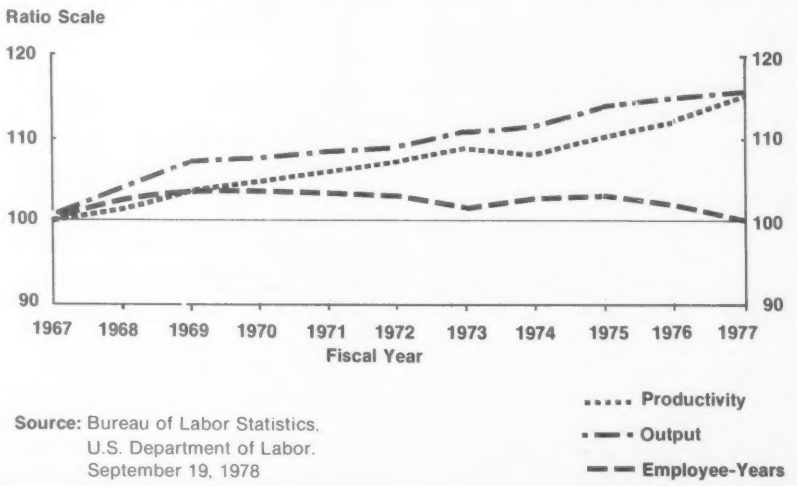
Findings

Output per employee year for the total measured sample rose at an average rate of 1.3 percent per year from 1967 through 1977 (see table 1). This reflected an average increase of 1.2 percent per year in output coupled with virtually no average change in the number of employee years. The year-to-year changes varied substantially, ranging from a drop of 0.6 percent from FY 1973 to FY 1974 to a gain of 2.9 percent between FY 1976 and FY 1977 (see table 2).

Twenty-eight Government functions were identified to provide some insights into the differential movements of agencies whose activities are similar. Some of these, e.g., standard printing and power, are more homogeneous than others, e.g., citizens' records and specialized manufacturing. Nevertheless, these categories do provide an indication of the dispersion in the trends for the major functions underlying the overall sample. Productivity trends for the categories varied substantially, ranging from long-term increases of 9.2

Table 2
Federal: Grand Summary, FY 1967-77

Productivity, Output and Employee-Years
FY 1967 = 100



Source: Bureau of Labor Statistics, U.S. Department of Labor, September 19, 1978

Table 3

Average Annual Rate of Change in Output Per Employee-Year by Functional Groups and Total Measured Sample, FY 1967-77

Source: Bureau of Labor Statistics, U.S. Department of Labor

percent per year to decreases of 1.7 percent per year. Eighteen functions exceed the rate for the overall sample while ten fell below (see table 3).

Over the long term, the significant increases registered by communications and library services can be traced to technological improvements in equipment and increased use of computers. In two of the three functions whose productivity dropped (printing and duplication, and medical services) measurement problems may have contributed to the declines because of insufficient product detail. The third function showing a productivity decline, military base services, appears to have halted the downward drift. As demand for the outputs of this function slackened, corresponding employment reductions did not offset the drop in output. Since 1975, however, employment has been falling more rapidly than output, resulting in productivity increases. This is a typical experience in productivity measurement—input adjustments usually lag changes in output.

Current Efforts

Efforts are being directed to improve the quality of the output indicators and to expand the data base into areas not presently covered. Also, we are trying to determine whether indicators used in zero based budgeting can be integrated into the productivity system. This should reduce the burden on reporting agencies, and increase the usefulness of the productivity indexes as another statistical tool for measuring an organization's performance.

Although there is a great deal of interest in developing measures for State and local governments, particularly since they represent the bulk of public employment, I doubt that BLS efforts will extend to this area in the near future. The effort is complicated by such variables as the availability of detailed information, the number of jurisdictions in the system, and the coordination needed between the jurisdictions and the agency compiling the productivity indexes.

As is clear, much work is needed to improve the measures for use by Federal managers. It is important that the work be strengthened and refinements continued. Thus, with improved information on productivity movements, Government managers will be in a better position to enhance the operations of their agencies. CSJ

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Quality of Work Life

What's in a Name?

by Ted Mills

AS A NAME to identify a perceivable, discrete set of notions, or activities, or even values, "quality of work life" is somewhere between a bummer and a disaster.

To begin with, both the full-out name and its shortened acronym, QWL, are a mouthful. Worse, exactly *what* the term seeks to identify is fuzzy, at best. It rings no quick bells of instant understanding. To many, maybe most who are unfamiliar with what it really means, it suggests a vision of happy workers having a picnic, instead of working any more. There's no suggestion in the term that it can and should apply to managers and supervisors just as much as workers. Worst of all, the term doesn't even remotely suggest that it defines a powerful, pragmatic, cost-effective, problem solving social and economic force, which it does.

Let's be charitable and call it a significantly less than adequate term.

What's *Not* in a Name: *Not* a Single Notion

One of the principal problems with the term is that quality of work life isn't a single, specific notion. Rather, it subsumes a whole passel of terms and notions, all of which really belong under the QWL umbrella:

—Industrial effectiveness.
—Human resource development.
—Organizational effectiveness.
—Work restructure.
—Job enrichment.
—Organizational restructure.
—Socio-technical systems.
—Work humanization.
—Group work concept.
—Labor-management cooperation.
—Working together; worker involvement; worker participation.
—Cooperative work structures.

Each of these, in varying degrees of inadequacy, identifies a part of the larger whole that quality of work life seeks to identify. QWL is actually the sum of all of these various attempts to label a general new direction for work, working, and work organizations in the late 20th century.

Not Soft

Contrary to a lot of prevalent misconceptions, quality of work life isn't a soft, touchy-feely approach to working. Its objective isn't to make working fun, easy, undisciplined. Rather its objective is to make working effective, challenging, involving. Its objective is to put some quality into human work, anywhere from top to bottom in a work organization.

Not Vague

The term's fuzziness makes some people believe it's a vague kind of imprecise notion. It isn't. When it's properly used, it identifies a way of running an entire company, a division, a region, a plant or office, or a department within a plant—or all of them at once—which is structured, pragmatic, problem solving, and above all, cost-effective. But unlike the management science approach, which postulates people and machines as interchangeable units of productive potential in a rational, machine-like view of organizations, the QWL approach singles out people and their potential as separate. The QWL approach is structured and precisely definable, as we will be examining, but it's a people-oriented approach as distinct from a mechanistic approach.

Not a Threat

Quality of work life isn't a threat to power—management's or union's—although many in both camps labor under the misconception that it is. Managers who only half-understand its real dimensions and objectives often fear it threatens to diminish their right to manage; union leaders often fear it threatens their adversary power.

Both of these fears are sheer poppycock; the growing experience with QWL has proven it so.

The truth of the matter is that when QWL is properly initiated and implemented, *everybody* wins more power. But it's a different kind of power than police power, or mere authority. It's the power to influence and create results, not just the power to discipline or penalize—a wasteful kind of power. It's the kind of power that wisdom and leadership win—something quite different from the power to give orders.

"Contrary to a lot of prevalent misconceptions, quality of work life isn't a soft, touchy-feely approach to working."

It provides both management and unions with new *influence* power, instead of *dictate* power. There's a big difference between the two.

Not Quick

It isn't quick. Quality of work life activities don't provide the instant, next-quarter results most may desire, and some may claim it will provide. It will, and *should* take time to slowly refine and develop its evolving impact on the effectiveness and productivity of organizations. It takes discipline, patience, and care—slowly spreading across, upward, downward in the organization, like well-planted and well-watered pachysandra in a garden.

Not Easy

It isn't easy. It's hard work—a long, tough, uphill struggle by a lot of people to make it pay off—as it can and will. It is an arduous learning process, with the pain and stress any kind of change brings.

Not a Panacea

Despite the claims of some, QWL isn't a surefire cure for what ails you. It isn't something a manager can buy from a consulting firm for a few hundred thousand bucks, and then go off fishing, with certainty that all organizational and operational problems will be licked by the new process. It's not a snake-oil panacea.

Not a Closed System

QWL isn't a packaged—or packageable—approach. It is necessarily a custom effort, wherever it's initiated.

QWL, as we'll see, has certain basic principles and guidelines. But it has no discrete, mechanistic series of yes/no decision points, like a computer program. It has no standard blueprints, or do-this manuals. In fact, it's the very opposite of rigid. It's an open kind of system devised by and for people at work. It's an evolutionary process, which learns as it grows. Remember the word "process." That's what QWL is.

Not Visible

It isn't readily visible. You can't walk out on a shop-floor and see it at work, as you could with new machines or new technology. For what happens in QWL efforts is something *inside people*, and *between people*. It creates changes in social interaction, and organizational structures.

Its impact will be visible; its performance outcomes will show up, usually impressively, on computer printouts and profit and loss statements. But the process of people making their way of working more effective isn't something the eye can see. It's something you feel, as you can sometimes instantly feel a well run or badly run organization just by walking into the place.

Not an End

Although improving the quality of work life becomes an end in itself to many of those involved in it, to organizations it neither is nor should be an end. It's a new operational means, created out of contemporary human conditions and expectations, to existing ends. It's a means to achieve those ends more effectively through a more contemporary, pragmatic proc-

ess of opening opportunities for human development. If better return on stockholder's equity, or growth, or better service from government at this time in our economic history is an end, QWL helps provide a more intelligent, structured means to open human-development ways to get there. Too often the ends and aspirations of workers are still perceived as disparate from the ends of the organization (which they shouldn't be), creating a dysfunction beneficial to neither the people in the organization nor the organization itself. QWL is a means to combine those ends.

Not Job Enrichment

Quality of work life isn't job enrichment, another fuzzy name. People often confuse the two terms, and they shouldn't.

They're very different things. Job enrichment is imposed unilaterally, and is almost exclusively task-focused. Quality of work life, which asks working people to participate in decisions affecting their way of working, is bilaterally sought and organization-focused.

"Quality of work life activities...take discipline, patience, and care—slowly spreading across, upward, downward in the organization, like a well-watered pachysandra in a garden."

Not a Productivity Gimmick

One thing quality of work life isn't, and never should be, is a productivity improvement program hiding inside QWL clothing.

Productivity increase is—and should be—a major management objective in the U.S. in the late 1970's. But productivity is a function of skilled management of capital, environment, technology, materials, and people into a maximized mix of effective output. Unfortunately, perhaps, the people part of the mix involves people, who have feelings, aspirations, passions, angers, hopes, and wills.

The way dollars and machines and technology will perform can be rationally predicted and computer simulated. The way people will perform can't: Human behavior is no more rational at work than in marriage or politics. For better or worse, and QWL says for better, people always have been and always will be human. It is human for a great many of them (and their alert unions) to suspect, with some justification, that overt—or worse, covert—productivity improvement programs are a "management trick" for speedup of work for the same pay, eventual job-loss for themselves and fellow working people, or union-weakening

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In 4 years, the American Center for the Quality of Work Life has helped start seven projects, and all seven are still thriving. Joint decisionmaking remains in place and essentially unchanged in every organization.

We have become more effective with the projects over the years—an evolutionary growth in understanding how best to initiate, develop, implement, structure, and most important of all, *leave* a project. We have learned as much from the failures and near-failures as from the successes. Had we known in 1974 what experience has taught us, many of our early projects would have fared quite differently.

For example, it was not until our fourth project that we developed the concept of a multi-tier approach: forming labor-management committees at several levels of an organization from the top down. This approach ensures commitment from both union and management, from the top of the organizations and unions on down. It wasn't until our sixth that we made major changes in our reliance on non-Center "facilitators," or what others would call consultant teams.

Perhaps the most important lesson we have learned is that there neither is nor should be any single "model" that is applicable to all organizations. There are only guidelines, derived from experience, and a common goal: increased human dignity and growth at work.

The first two of the seven projects undertaken by the American Center for the Quality of Work Life are detailed here, with more about the others in installments two and three of the article that starts on these pages.

Rushton Mining Company/United Mine Workers

Much has been published about this first project, for which the services of Dr. Eric Trist were secured. The basic error at inception was the limited focus it imposed on the participants; building "autonomous work teams" underground was the project's sole thrust. In achieving this, however, the project was and is extraordinarily successful. All four shifts now use the technique they developed of boss-less work teams underground, with the foreman's role limited to responsibility for safety concerns, not for production.

The project team's essential disregard for the rest of the mine's population (union and management) did lead to a political schism between those affected and those not affected, resulting in a close

devices, or all three. They resist, or even sabotage such programs as inimical to what they perceive as *their* best interests.

Yet in a kind of curiously illogical logic, as QWL advocates believe, if managements of any kind of enterprise become *honestly* concerned for the real needs and aspirations of their employees, and can convince their employees it's a real and continuing concern, and prove it, then a strange phenomenon occurs: They get productivity increases from their people without even asking for it, as a by-product or payback of that growing concern.

In other words, by inverting priorities of basic management concerns from organizational needs to employee needs, the organizational needs will actually be better served.

Not Imposable

This leads directly to another thing quality of work life isn't. It isn't a way of working that can be ordered, or decreed, by fiat. It can't be imposed. It isn't the kind of change in ways of working in which the chief executive officer can decide, "let there be quality of work life," and get it. Useful organizational change, if it is to work and to last, must be advocated and *sought* by those who will be affected by it. They must own it, lock, stock, and barrel.

Not Manipulative

And therefore, a QWL effort can neither be, nor be practiced as, manipulative. There are behavioral consultants in the United States who view employees much as psychologist B. F. Skinner viewed his laboratory pigeons. By manipulative reward systems, so goes the theory, managers can induce their employees into behaviors that conform to management needs to get better performance out of them. Such a cynical, 1984-style view of work performance is anathema to the objectives and values of an effective quality of work life effort. For it conceives of human employees as mere robots, rather than potential human learners; it closes, rather than opens, the creative problem solving potential of those it seeks to trick into higher output.

Not an Ideology

Another thing quality of work life isn't, as practiced in the U.S., is ideological. At least so far in the United States, its leading management and union advocates seem to be pragmatists who see it as simply a better, more effective way of working at this time in industrial history. It's neither rightist, leftist, nor centrist.

Being apolitical, it isn't even a cousin of the politically achieved "industrial democracy" phenomenon that has swept across Western Europe in the decade of the 1970's like a prairie fire. The European phenomenon has occurred largely at the

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(97–93) local union vote to pull the local officially out of what they called "the experiment."

A training and development committee went on with the work and meets regularly. Its membership is still 50 percent union and 50 percent management.

In late 1977, the Rushton president considered the new work culture introduced by the "experiment" to be very much alive and well, and contributing to increased mine productivity. The mine is now examining a productivity gain-sharing formula, using the T&D committee as agent.

Harman International-Bolivar/United Automobile Workers

Much has been published about this project and its achievements. Dr. Michael Maccoby was retained as the project's facilitator and director by Dr. Sidney Harman and by Irving Bluestone of the UAW.

From the beginning and throughout the project's development, Maccoby stressed four principles as project bases, to be understood by the entire work force: individuation, democracy, equity, and security. Among the many innovations Maccoby and the plant participants instituted were:

—A full-time resident assistant coordinator.

—Establishment of a labor-management worksite committee, meeting on company time, which all of our subsequent projects have included as a basic structure.

—The concept of "earned idle time," under which any employee meeting standards prior to the end of his or her shift is free to do what he or she wishes.

—A peer-taught worksite school for employees (managers included) with a broad employee-determined curriculum.

Measurement shows an early and continuing development of trust between management and employees, a phenomenon also noted in other Center projects. Union leaders have also pointed to better membership attendance at union meetings.

The principal long-range problem at Bolivar was effectively spreading the new cooperative work culture throughout the entire plant. By late 1977, according to Maccoby, this was achieved.

Analysis of the Harman/UAW plant shows considerable increase in individual and collective worker productivity throughout the plant, and in overall plant effectiveness, plus union satisfaction with what has happened. The early-achieved levels of mutual trust have been sustained.

ideological instigation of the left-of-center European labor confederations (and the political parties and legislatures they dominate) to win long lists of largely cosmetic new regulatory laws concerning worker participation in private enterprises.

By strong contrast, QWL in the United States has spread a *voluntary apolitical* effort sought by either managements or unions, or both together. It is worth noting that the 1978 labor reform law so strongly advocated by the U.S. union movement did not contain a word advocating industrial democracy in the U.S. It is also worth noting, however, that many U.S. union leaders feel government can, and should, at least provide seed money to help the initial development and implementation of QWL activities.

Not a Passing Fad

One of the most common misconceptions about quality of work life is that it's another of those come-and-go fads, like the human relations fad, or the MBO fad, or the job enrichment fad, which suddenly appear with promises of salvation, and then disappear when their glowing promises don't pay off. It isn't one of those.

People who accuse QWL of being just a passing fad have missed its point entirely, and profoundly. Perhaps, mistakenly, they still relegate it to its former academic days a decade ago, before it turned out to be a cost-effective operational reality. But more important, they miss the critically important fact that the term is one that points its finger—however clumsily and fuzzily—at a whole cluster of emerging societal issues of late 20th century concern and alarm. These issues are centered in and around the changing and changed nature of industrial organizations from old, stable, 19th century autocratic structures to new, fluid, contemporary structures based on process and growth (namely, the emergence of the evolutionary structures of the conglomerate), and the accompanying radical change of employee allegiances. Anyone who has lived through or observed the explosion of statutory industrial democracy laws now on the books in a dozen European countries would find it somewhat difficult to explain the phenomenon away as just a momentary fad.

"...what happens in QWL efforts is something *inside people*, and *between people*."

Not Elitist

Some suspect quality of work life to still be the somehow exclusive province of a small band of behavioral science intellectuals, to whom organizations must pay a great many consultant dollars if they want to get into QWL activities. Such suspicions were well grounded, a few years back. They aren't any more.

It's true that the major seminal theorists who collectively architected QWL's many contours (and much of its fuzziness) were academics, dating back 50 years and including the pioneer work of Mayo, Likert, Trist, McGregor, Maslow, Herzberg, Walton, and Maccoby. And it's also true that under many aliases, QWL is increasingly becoming a must in university and business school curricula. But by the late 1970's, the center of QWL advocacy and action had moved into the real world. Working people themselves had become QWL's new practicing architects.

Anyone who has visited an active QWL operation in a plant or office somewhere finds this out in a hurry. To the intellectual elite, QWL had been viewed as sociological "experimentation" with other people's working lives. But to the new do-it-yourself working folk, it is *their* lives at work, *their* work processes and problems, *their* job security, *their* cost-effectiveness that are on the line. They see themselves as anything but guinea pigs in someone else's elitist experiment. To a man or woman, they'll tell you so, in often salty language.

In the decade of the 1970's, QWL moved out of the cloister and into operations. Its language had simplified startlingly. It was no longer the elitist jargon of the intellectuals. Its new warders were the working managers, unionists, workers speaking their everyday language. It had become theirs. Its elitist days were history.

What *Is* in a Name

So this fuzzy, inadequate term, "quality of work life," isn't a lot of things some people have thought it was, and examining what it's *not* helps identify what it *is*. But also, it is a lot of things some people wouldn't suspect it to be. Let's move from the negative to the positive, and try to get a handle on what this very inadequate term actually does mean.

Right off the bat, it's important to realize—and accept—that by the late 1970's, the term quality of work (or working) life had moved permanently into the vocabulary of American and Canadian unions and managements, even if a lot of the people using it weren't exactly sure what territory it covered.

The fact that more and more union people were using the term as either something they were for or against was particularly important. It wasn't just a management term, like job enrichment; it was union-acceptable as a term. For decades, the American labor movement has sought better "working conditions" and greater dignity at work for their memberships, with considerable success. The late-1970 addition of quality of work life, with its strong emphasis on human dignity and values, to this traditional labor thrust by many unions was clear indication that—at least as a descriptor term—QWL had permanently entered the language of industrial relations around the world.

It's also important to realize that this near-bummer of a term is three things at once.

First, and most important, it's a term which in the 1970's (like the

term "environmental preservation" in the 1960's) has drawn an identifying line around a cluster of growing social and economic concerns of our post-industrial society. It focuses our attention on the nature of human life at work, in an operational, pragmatic context. In so doing, as a term it stakes out a territory for interest, examination, and action. So first, it's a descriptive noun identifying a locus of attention.

Second, in quite another context, it has become a descriptive noun to identify a specific contemporary way of working in the late 20th century that is people-oriented, as distinct from thing-oriented. It points its finger at working as a process of interaction and joint problem solving by working people—managers, supervisors, workers—in a way that is:

—Cooperative rather than authoritarian.

—Evolutionary and changing rather than fixed.

—Open rather than rigid.

—Informal rather than rule-based.

—Interpersonal rather than mechanistic.

—Problem solving.

—Win-win rather than win-lose.

—Based on mutual respect rather than police power.

In this context, the term becomes one that identifies an *approach* to working, and to work organizations, based on these people-based principles. What makes this approach so potentially powerful and important today is the enormous change in the very nature of post-industrial society in just the last two decades. By the late 1970's already almost two jobs out of three in the United States had become people-to-people kinds of jobs providing services or information-handling or both. With technological automation exploding in the manufacturing world, the old people-to-machine kinds of jobs were fast disappearing. Work itself was rapidly becoming an interpersonal kind of process. The quality of work life approach was born in and of this massive shift in the very nature of human work; a quality of work life effort was an attempt to cope with it.

Third, by the late 1970's, the term had also started to become a descriptive adjective. Management people and union people were talking of a "QWL activity" or, as above, the "QWL approach." More and more, the term or its acronym was being used as a shortcut to describe in one short identifying term the cluster of principles listed above.

As a term defining a territorial stakeout, an approach to a new way of working, or just as a descriptive adjective, however, where the term is quite inadequate is in its verbal silence on many of the things it really should include.

It implies, but doesn't state, that the quality of human effectiveness in work organizations, if given a show, could be much more humanly rewarding and results-producing than we'd ever thought possible until the QWL approach to work appeared.

It implies, but doesn't state, that the growing demands and expectations of ever-more-educated people in our work organizations are something we must all be dealing with increasingly in the years ahead, and dealing with wisely—for the benefit of both demanders and demandees in equal measure.

It implies, but doesn't state, that the hallmark of the quality of work life cooperative approach is developing a new kind of mutual respect: two-way respect between worker and supervisor, subordinate and manager, organization and union, organization and employees, or thinking "us," instead of "we" versus "they"—the win-win basis of the QWL approach.

It fails as a term because it leaves out these major aspects of what it seeks to name. Yet for all its inadequacies, it does have *some* good points. For one thing, it doesn't threaten any of the stakeholders in the free enterprise system—unions or management—nor the system itself. It doesn't demand or complain. It doesn't shrill its people-oriented principles; it gentles them. It's a set of notions and principles that aren't dangerous to be for, and even difficult to be really opposed to. As a locus, an approach, or an adjective all it really does is point to a desirable, attainable, effective way of life for people who work, and their employers in equal measure, in these much-changed years closing out the 20th century.

The Old Ways

Most of us either forget or never stopped to think that the model upon which most modern industrial organizations are based was created and developed over 200 years ago.

In those days, machine labor was just being invented, along with the then-new notions of dividing labor by people and machines into repeatable tasks. Human labor was perceived as the output of human backs and arms and hands with (as Peter Drucker has pointed out) the added value to coordinate perception and reflex better than the crude machines of the day.

At the dawn of the 20th century, Frederick Taylor, the great apologist for the old notions of organizations, urged dividing human and machine labor down into the smallest and easiest functions: to create dumb, foolproof jobs for dumb human beings, whom he characterized as essentially lazy, greedy, and demanding of discipline.

The father-knows-best authoritarian values of 200 years ago and the division of labor notions still dominate most industrial and even service organizations and the unions they bargain with, even though the society outside the plant gate has radically changed its values, and—much more important—its expectations. But as events late in the 20th century would begin to poignantly reveal, such old-way organizational constructs carried within them the seeds of their own obsolescence. *To be continued*

The author is Director of The American Center for the Quality of Work Life.

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legislative summary

Digests of personnel legislation enacted during the second session, 95th Congress, January 19 to October 15, 1978.

Administrative

Public Law 95–228 (H.R. 5054, February 10) repeals section 3306 of title 5, United States Code (USC), which required that appointments to competitive service positions in executive branch agencies in the Washington, D.C., area be apportioned among the States on the basis of population.

Public Law 95–251 (H.R. 6975, March 27) provides that, by law, hearing examiners shall be known as administrative law judges, and increases from 240 to 340 the number of such positions that may be established and placed in grade 16 of the General Schedule.

Public Law 95–539 (S. 1315, October 28) authorizes the Director of the Administrative Office of the U.S. Courts to appoint interpreters in Federal courts, to aid participants who are non-English speaking or who have hearing or speech impairments.

Public Law 95–452 (H.R. 8588, October 12) establishes Offices of Inspector General in six Cabinet departments and six independent agencies.

Civil Service

Public Law 95–454 (S. 2640, October 13) reforms existing civil service laws to give managers the tools and the freedom to manage, and Federal employees the incentives to be more productive.

Title I (Merit System Principles) outlines principles to govern all Federal merit systems and defines prohibited personnel practices.

Title II (Civil Service Functions; Performance Appraisal; Adverse Actions) prescribes organization and functions of the Office of Personnel Management, the Merit Systems Protection Board (MSPB), and the Special Counsel. Legitimate ''whistleblowing'' is defined and ''whistleblowers'' are protected from reprisal. Existing Government-wide performance evaluations are abolished and a new system that specifies performance requirements is set up. Adverse actions are redefined, and they can now be appealed to MSPB or submitted to arbitration.

Title III (Staffing) changes certain aspects of the system for examining and selecting employees. New supervisors and managers must serve a probationary period. Limits are set on dual pay for all members of the uniformed services. Additional benefits are provided disabled (30 percent or more) veterans in appointments and retention, and preference for nondisabled veterans who retired at or above the rank of major or equivalent is eliminated. The restriction against Federal employment of more than two members of the same family is repealed.

Title IV (Senior Executive Service) establishes a Senior Executive Service (SES) to ensure that executive management of the Government is of the highest quality. SES positions are in GS-16, 17, and 18 of the General Schedule or in level IV or V of the Executive Schedule, or an equivalent position.

Title V (Merit Pay and Cash Awards) provides a merit pay system for supervisors and managers at grades GS-13 through 15. Pay increases are linked to individual and organizational performance and not to length of service.

Title VI (Research) authorizes the Office of Personnel Management to conduct and support personnel management research.

Title VII (Labor-Management Relations) states the functions of the independent Federal Labor Relations Authority.

Title VIII (Grade and Pay Retention) provides for saving grade and pay for employees who would lose grade and salary because of reduction in force or reclassification.

Ethics

Public Law 95–521 (S. 555, October 25) creates an Office of Government Ethics. Its Director will issue regulations governing agency ethics programs and oversee the preparation of financial disclosure statements of executive branch employees at GS-16 or above, and similarly paid personnel in the legislative and judicial branches.

Health and Life Insurance

Public Law 95–368 (H.R. 2931, September 17) statutorily establishes uniformity in health benefits provisions and coverage under the Federal Employees Health Benefits (FEHB) program by exempting the FEHB pro-

gram from any State or local law or regulation to the extent they conflict with contracts negotiated under the FEHB program.

Public Law 95–583 (H.R. 4319, November 2) reduces from 12 to 5 years the length of service required for any Federal employee retiring on or after November 2, 1978, to retain group life and/or health insurance coverage during retirement.

Hours of Work

Public Law 95–390 (H.R. 7814, September 29) suspends for 3 years certain overtime provisions of title 5 (USC) and the Fair Labor Standards Act to permit experimentation with a wide range of flexible and compressed work schedules in Federal agencies. A permanent provision of this law also allows an employee, whose religious beliefs require his or her absence from work, to work overtime and request an equal amount of compensatory time off to meet those religious requirements.

Public Law 95–437 (H.R. 10126, October 10) encourages part-time employment by requiring each agency to establish a program to increase part-time career employment opportunities, and by changing the personnel ceiling arrangements for counting part-time employees.

Information

Public Law 95–491 (S. 3259, October 20) authorizes the General Services Administration to establish a nationwide network of Federal Information Centers to respond to requests from the public on the rules, programs, and benefits of the Federal Government.

Pay

Public Law 95–603 (S. 990, November 6), in order to recruit and retain Government physicians, authorizes agency heads to enter into a service agreement requiring the physician to complete a specified period of service, in return for which he or she would be paid a special allowance during the period of service.

Retirement

Public Law 95–256 (H.R. 5383, April 6) repeals section 3322 of title 5 (USC), which prohibits permanent appointments in the competitive service to employees who have attained age 70, and eliminates mandatory separation at age 70 of employees with at least 15 years of service. It also establishes a minimum age of 40 for protection of Federal employees under the Age Discrimination in Employment Act.

Public Law 95–317 (H.R. 3447, July 10) permits a retired employee, whose spouse dies first, to provide survivor annuity benefits to a new spouse.

Public Law 95–318 (H.R. 3755, July 10) prospectively permits reinstatement of terminated survivor annuities to widows or widowers of former employees who were remarried before July 18, 1966, if the remarriage is dissolved.

Public Law 95–366 (H.R. 8771, September 15) authorizes the Office of Personnel Management to comply with the terms of a court decree, order, or property settlement in connection with the divorce, annulment, or legal separation of a Federal employee eligible for benefits under the civil service retirement system.

Public Law 95–382 (H.R. 9471, September 22) allows civil service retirement credit, without deposit, for time spent in World War II internment camps after reaching age 18, to those Japanese-Americans who later became Federal employees and are not already entitled to credit under prior legislation.

Taxes

Public Law 95–365 (H.R. 8342, September 15) extends the mandatory city or county tax withholding provisions of section 5520 of title 5 (USC) to Federal employees who are residents of eligible jurisdictions but are employed outside such jurisdictions.

Veterans

Public Law 95–520 (H.R. 5029, October 26) extends to September 30, 1981, agency authority to make Veterans Readjustment Authority (VRA) appointments, and expands the VRA so that agencies can make greater use of this authority to bring Vietnam-era veterans into Government service. The maximum grade level for VRA appointments has been raised from GS-5 to GS-7.

—Dorothy J. Mayo

measuring productivity of
common administrative functions

An Experiment in the Personnel Office

by Allan S. Udler

THOSE OF US who have worked in organization and administrative support services are faced with peculiar problems. We must compete for funds with finance, budget, procurement, ADP, training, and other service functions, yet—more often than not—we don't offer enough data to justify our budget requests.

What techniques can we use to measure and show what we do? How can we specify the costs to train a person, to hire, to place, or transfer employees, to produce a payroll check?

Work measurement was popularized by Frederick W. Taylor, amplified by the Gilbreths, and promoted by many industrial engineers as well as management consultants and analysts. Most would agree that if the tasks we are performing are repetitive, production-line in nature, work measurement is an adequate and reasonable approach to measure what we do. However, if the work is more creative and we have diversified tasks, then work measurement is often cumbersome, disruptive, and may not really identify what we do.

Another approach, as an alternative to work measurement, is productivity measurement. It is broader than work measurement, and more readily adaptable to support services. It does not, and should not, attempt to measure each step involved in the work process, but rather, looks at and identifies the final outputs of the process. Productivity, as used here, is the ratio of the volume of goods and services produced to the staff years required to produce them. We are limiting our approach and discussion

to "labor productivity" for it is often the largest part of administrative and support services. Other "inputs" include technology, training and motivation, equipment, and space.

Previous Federal efforts to measure the productivity of personnel operations have been unsuccessful. The approaches taken were too crude for meaningful results. Therefore, an interagency task force was assembled to develop a productivity measurement system for personnel offices, identify and define activities within these offices, and test and verify the measurement system in typical offices.

Before describing the details, it is worthwhile to discuss the dynamics of the task force. We realized that positive results required three conditions: (1) top management support; (2) a group of respected and knowledgeable specialists, each having wide and diversified experience in various agencies; and (3) a group with high motivation and purpose, able to negotiate their time and participation. These have since proved to be essential for success.

Certain sub-objectives had to be identified. One was that the task force did not want to reinvent the wheel. Therefore, we did an extensive literature search: published and unpublished reports, studies, books, periodicals, etc. Agencies were contacted to determine what efforts and studies they had or were undertaking.

Then the task force had to distill the information. This was the beginning of the project leader's work—he had to guide the task force through much of the material, then unite and direct the task force members toward a unified position.

Whatever was developed had to satisfy most of the demands of each member, yet could not be so compromised that a substantive measurement system was preempted by and for agency biases, concerns, and parochialism.

System Design

The objective was to design a system that would give agency management the information needed for decisionmaking. Even though this was developed for the Federal Government, its applicability and adaptability can be readily transferred to State and local governments as well as private business. Use of this measurement procedure will yield various management information:

—*productivity data:* output per employee per year;

—*unit costs:* cost of an ouput, e.g., to hire and place new employees;

—*labor distribution* within the personnel office;

—*direct and indirect labor costs* within the personnel office.

"The objective was to design a system that would give agency management the information needed for decision-making."

These measurements are efficiency indicators and assume a constant, acceptable quality and effectiveness of the service being delivered. The system does not attempt to directly measure effectiveness. However, the customers being serviced provide effectiveness controls. If the personnel office is providing poorly qualified candidates for employment interviews, making many errors in payrolls or health benefits, or taking too long to hire people, the "customer" usually calls these deficiencies to the attention of the personnel office.

It became readily apparent that certain personnel office (and other support) activities lend themselves to measurement and others do not. We defined measurable activities as those for which final outputs and their corresponding employee-year-inputs can be quantified. Outputs that have meaningful and usable measures, and are readily quantifiable, are the basis for our personnel office measurement system, e.g., the number of people hired, the number of suggestions or adverse and disciplinary actions processed.

Nonmeasurable activities, on the other hand, were defined as those for which final outputs cannot be adequately quantified; for example, labor-management relations. Although we have experimented with a wide range of output measures—from the number of labor union contacts to the number of labor contracts—no measure adequately identified the activity. We have, therefore, identified labor-management relations, as well as some other outputs, as nonmeasurable—but the *time spent* in these activities *can* be measured.

After we got over this hurdle of conceptualizing, identifying, and differentiating between measurable and nonmeasurable activities, we had to identify the functions of a personnel office. The measurable and nonmeasurable activities had to be grouped into relatively homogeneous categories.

We divided the personnel office into five functions: Staffing and employment; position classification; employee and labor relations; employee development; and general administration and support. (For definitions of these functional areas, see "Productivity and Personnel," by John D. R. Cole and Allan S. Udler, in the *Journal*, Vol. 17, No. 2, October/December 1976, p. 23.)

For each function we identified the labor components, both direct and indirect. Direct labor was identified as the direct staff time to produce the specific output. Indirect labor was identified as the support activities necessary for these outputs: supervisory and management time; clerical support; leave; travel; reports; and training. Each functional area had its own direct to indirect labor ratios, and these could also be calculated for the entire personnel office.

An overriding concern was to minimize reporting requirements.

Therefore, the system was designed to use existing measures and activities.

Data Gathering

How does one go about measuring the functions and activities? We could have asked the employees to record their activities, but this was rejected because it is cumbersome and time-consuming. We could have used observers, but to do this is costly, and often psychologically threatening to employees. We decided to use statistical sampling. Our data sampling objectives were: 95 percent confidence limits with a precision of plus or minus 5 percent, easy to use, and nondisruptive.

Based upon these criteria, we designed a random sampling technique. Here's how it works. We sample all the personnel office employees over 1 year in five 2-week periods evenly distributed throughout the year. During each of the sample periods, we sample each employee five times per day. More specifically: A computer generates a set of random times based upon the operating hours of the office. At a random time, each employee is asked to record on a worksheet his or her work at that time. A control person is the only one with the random times, and tells the employees when to "mark" on the data sheets.

Here's a sample operation. The random times are given to the personnel director's secretary, who is the only person who has the times. When a sample is to be taken, he or she calls the branch secretaries, asking them to tell their assigned employees that sampling has started, and to make a mark on their worksheets next to the activity they are currently doing. That's all—nothing more. This is done five times a day for 10 consecutive days, five times evenly distributed throughout the year. The result yields a labor distribution with a precision of plus or minus 5 percentage points. What happens when an employee is not present during sampling times? We suggest that branch secretaries keep logs of the sampling times. Then, on return to the office, the employee can mark the activity sheet.

"The response to this productivity measurement approach has been enthusiastic. Employees do not feel threatened, and personnel officers and supervisory staffs have welcomed the data...."

Based upon interviews with employees who participated, this technique is considered nonthreatening, easy to use, nondisruptive, and acceptable. Each subsequent year, the sampling procedure is continued, with the percentage of time sampled expected to be less than half of the first year. This will hold true unless there is a major change in the office's procedures, e.g., reorganization, policy shifts, change in program emphasis. If these changes occur, the initial sampling procedure would be repeated.

Now that we have identified how to determine the process of identifying the outputs and a technique for obtaining input data, all that remains is to determine labor distributions, unit labor costs, and productivity indexes.

Labor Distribution

In essence, the labor distributions already exist. By taking the data obtained from the employees' time samples, and adding all of the marks in each of the activities within each functional area, the percentage of time spent in each activity (the labor distribution) can be determined. Then it is multiplied by the number of full-time equivalent employees being sampled. This results in the staff-year distribution by functional area and by activity.

Unit Labor Cost

To obtain the cost by activity, the labor distribution percentage (obtained by sampling) is multiplied by the personnel office costs. Next, we obtain from each personnel office the output counts for each measurable activity. By dividing these measurable activities into the total labor cost per specific activity, unit cost is obtained, e.g., the cost of hiring a new employee, processing an adverse action, etc.

Productivity Data

Finally, by using labor distribution, outputs, and cost data, a statistical analysis will determine productivity, with first year productivity index 100.

Productivity data will not be available until the second and subsequent years. However, three kinds of data are available the first year: labor distribution by activity; total labor cost by activity; and unit labor cost of those measurable and quantifiable outputs.

Preliminary Results

This system has been tested in 31 Federal personnel offices representing nine departments and agencies. They were selected for their distinctive characteristics, thereby providing a cross-section of differences. These differences included geographical distribution, size of office (small, medium, large), DOD and Non-DOD, work force serviced (GS vs. WG), production vs. scientific), and operating mode (automated vs. manual).

The measurement system tests were run between April 1, 1977, and March 31, 1978; the data are discussed below. This is but a preliminary analysis—more details will be published in a formal report by mid-1979.

Total Labor Dustribution
(All Test Offices)[1] **(Precision Within ±5%)**

Function	Ave. % of Time (Direct Labor Only)	Total % of Time Direct Labor	Indirect Labor (Admin. Support)	Total Labor Distribution by Function
Staffing & Employment				
Accessions	5.3			
Separations	2.0			
Promotions	5.6			
Internal Actions	3.4	21.5	19.6	41.1%
Pay Actions	1.3			
Agency Internal	0.8			
Mgmt/Tech. Assistance	3.1			
Position Classification				
Classifying Positions	2.9			
Reviewing Positions	2.9	9.0	8.5	17.5%
Position Management	1.2			
Mgmt/Tech. Assistance	2.0			
Employee & Labor Relations				
Processing				
Formal Grievances	0.5			
Formal Appeals	0.3			
Adverse & Disc. Actions	1.6			
Suggestions	0.5			
Awards	0.7			
Inf. Agency Grievances	0.3	9.4	6.5	15.9%
EEO Compl/Assist Rendered	0.5			
Labor-Mgmt. Relations	1.7			
Retirement Counseling	0.8			
Health Benefits Assistance	0.3			
Insurance Assistance	0.1			
Mgmt/Tech. Assistance	2.1			
Employee Development				
Internal Training	1.5			
External Training	0.9	3.6	5.4	9.0
Mgmt/Tech. Assistance	1.2			
General Admin. & Other				
Pers. Mgmt. Evaluation	0.7			
Work Force Planning	0.7			
Mgmt/Tech. Assistance	3.3	5.9	10.6	16.5%
ADP Support	1.2			
Grand Total:		49.4	50.6	100%

1/These labor distributions represent only the time spent by personnel office staff.

Labor Distribution

Sampling procedures yielded specific details regarding the time that personnel office employees spend in various activities. As mentioned earlier, these procedures were designed to yield 95 percent confidence with a precision of plus or minus 5 percent, but only for the five functional areas. However, we measured various activities within each of these functions and found the precision for each activity to also be within plus or minus 5 percent. The table presents the average labor distributions across all test personnel offices.

Similarly, combinations of different personnel office mixes were also calculated. These were DOD/Non-DOD, size agency, etc. Analysis of these combinations is presently being undertaken.

Analysis of Results

The data in the table need to be carefully analyzed for they were collected for only 1 year. They have not yet been analyzed for the more complex, nonquantifiable dimensions. They need to be reviewed with respect to the quality and effectiveness of the service being delivered.

The process described yields data that are useful in the following ways:

—*Unit costs* provide the supervisor with the costs to produce various items; as a result they allow comparisons among different units of output.

—*Labor distributions* provide the supervisor and manager with the proportion of time their employees spend on various activities. These data can then be used to determine direct/indirect labor ratios, which allow management to monitor and control shifts in work performed by their personnel.

—*Productivity indexes* reflect changes of output/input ratio over time, and thereby identify trends in overall organizational performance.

While these data are limited in that they measure efficiency, not effectiveness, they nevertheless present a combined picture of operational performance that can improve management decisionmaking.

The response to this productivity measurement approach has been enthusiastic. Employees do not feel threatened, and personnel officers and supervisory staffs have welcomed the data, which prior to this undertaking generally had not been captured by personnel offices. In sum, this system provides a set of management tools that justifies the time spent gathering the data.

Improved productivity points the way to improved management. If we use the tools already available to us to identify areas of opportunity for organizational improvement, then our role as effective and accountable Federal managers will be achieved. CSJ

The author is a productivity specialist for the Office of Personnel Management. He is also an adjunct professor of management at Central Michigan University.

Collecting Some Union Views

Anthony F. Ingrassia
Office of Labor-Management Relations
Office of Personnel Management

President Carter has stated that improving productivity is essential to the social and economic welfare of the American people. This underscores the vital role that productivity improvement can play in helping to improve the state of the economy and control inflation.

Productivity, however, means different things to different people. Within the Federal personnel community, for example, the term connotes one thing. Ask a first-line supervisor to define the word and you're likely to find it means something altogether different. Even among the top management structure of the bureaucracy there is little agreement on its precise meaning. Among organized labor, use of the term productivity provokes still another image, as the union articles that follow sharply illustrate.

This issue of the *Journal* is devoted entirely to the subject of productivity. It contains a series of thought-provoking articles, each written from the particular vantage point of the respective author. The contributors to this special issue—among them managers, expert practitioners on the subject, and Federal employee union leaders—candidly discuss what productivity means, its benefits, how it's measured, and how it can be enhanced.

I am personally appreciative of the authors who took the time to share their experiences and views on this important subject with Federal managers. I am particularly grateful to the union leaders for providing a needed perspective of labor's attitudes and concerns. Under civil service reform, OPM is responsible for guiding productivity improvement within the Federal sector. In this connection, agency management should consider the framework provided by the Federal labor-management relations program to obtain union participation to improve productivity and enrich the work environment.

One method of improving productivity and enriching the work environment that has been successfully used in some agencies is the joint labor-management committee concept. The goal of such committees is to improve productivity and the quality of work life and to encourage participation in the decisionmaking process. Normally this type of committee is established outside the collective bargaining setting, characterized by its adversarial atmosphere.

Such committees are not the only vehicle for conducting productivity improvement efforts in a labor relations setting. Nor are mangers and union officials in total agreement as to their ultimate benefit. There are arguments, pro and con, from both sides of the table. They do agree, however, on the one essential ingredient for an effective and viable joint committee. The *sine qua non* is a mature, good faith approach to the effort on the part of both parties—union and management. Where the constructive ingenuity of labor and management is brought to bear on problems of mutual concern, the coefficient of success increases a hundredfold.

1

Public Employee Department AFL-CIO

John A. McCart
Executive Director

ORGANIZED LABOR has long maintained a commitment to improving the efficiency of the nation's economic machinery. Growing productivity provides the basis for increasing standards of living for all Americans. But just as there are lessons to be learned from private industry concerning labor-management relations, government also can profit from the private sector experience in pursuing productivity growth.

From its involvement in private industry, organized labor has determined two assumptions that must be accepted in any discussion of the subject: (1) Management has the responsibility to manage, which means productivity must take a high priority from top policy makers down through the layers of management to front-line supervisors; (2) the success of such a system depends on the willing cooperation and participation of the workers; organized labor views the collective bargaining process as the best means to ensure this involvement by the work force.

During the past decade, industrial productivity expansion has slowed to less than 2 percent a year. One central theme emerging from the debate over enhancing productivity has been the lack of initiative by management to help solve this problem. Too many companies have done little to even measure their own performance, much less improve it. Charles Jackson Grayson, Richard Nixon's price commissioner during the wage-price freeze days, and now head of the nonprofit American Productivity Center in Houston, recently declared, "They have paid much more attention to finance, marketing, merger and tax manipulation.

"I've heard all the rhetoric about we-don't-want-to-work-hard-anymore, and I don't believe it. The work ethic has not been lost. What has happened is that autocratic, bureaucratic organizations in business and public service have suppressed the desires and ability of the individual to feel that he or she is contributing. People do not mind contributing to the success of an enterprise, so long as they feel that they have a hand in helping to shape it and are rewarded," Grayson asserted.

"If it entails a shift to inferior quality of services provided to the community, productivity will not only be deterred, but the public will be short-changed."

Skepticism

Under increasing pressure from Americans rightly concerned about rising taxes, elected officials and public managers are all too willing to promise productivity increases. Because government service is labor-intensive, the focal point for these assurances is the public employee work force. As a result, to the workers the term has become a code word meaning reductions in service and increased workloads for the appearance of saving dollars. Experience breeds skepticism in workers, when public managers talk about productivity programs.

In addition, the drive to increase productivity in government can result in a decrease in service. Garbage collections may be less frequent; hospital patients may wait longer to see a nurse; streets may be swept less often. Although basic operations may continue, they can hardly be called the same service. This shift to inferior quality, however, is overlooked by many public administrators.

"Productivity growth achieved in this way is quite distinct from the type of past advances in the private sector. With the rise of productivity in private industry, each hour of work has become less—not more—taxing physically. As a result, proposals to achieve expanded production in the public sector through increases in workloads, for example, run counter to the experience in private industry," a study prepared by the Public Employee Department warned.

If increased efficiency in the delivery of public services is to be realized, a fundamental concept must be understood. By the classic definition, productivity increases when more "output" can be achieved with the same or less "input." If it entails a shift to inferior quality of services provided to the community, productivity will not only be deterred, but the public will be short-changed.

There are also limits to which a public manager can be enchanted with the dollar costs of running govern-

ment. Americans are dependent on government to provide defense protection, health care, mail delivery, road maintenance, and so on. Some citizens, of course, may prefer short-range, inferior services to high taxes. The deterioration of services may go unnoticed by other people, only to be driven home when that Social Security check, for instance, fails to arrive by the first of the month.

Work Environment

The other side of the equation, which has received scant attention in government circles, is the quality of working life. It obligates public employers to supply an environment that will enable workers to fully utilize their capabilities in executing assigned work.

Adequate lighting, ventilation, and removal of physical impediments illustrate one end of the spectrum. Participation by employees in planning tasks and group decisions on ways of sharing them demonstrate the other. These features of working life assume greater importance with the realization that so many government jobs involve routine, repetitive tasks. Over a number of years, they can stifle initiative and induce physical and emotional debilitation.

Despite these problems, the search for innovative techniques in the administration and operation of public functions must continue. In the final analysis, however, real growth will stem from the investment made in human resources. Skills and education of the work force are a central factor in the efficient delivery of public services. Job training, educational incentives, orientation programs, worksite renovation, and the like improve the performance of workers.

The quality of supervision also must improve. Good management can provide the standards and leadership necessary to achieve greater productivity performance. Existing work and service procedures are not unalterable, and should be reviewed in light of current needs. Government, however, is also an employer. Adapting to the requirements of the general public cannot be accomplished without considering the needs of the work force. As a result, managers must begin to accept the important role of unions in helping achieve high levels of public performance.

In the private sector, the economy not only survived the growth of unions, it thrived. Productivity since World War II jumped at a faster rate than in all the generations preceding the war. Despite our lagging performance in the past 10 years, America is still the most innovative country in the world. This record demonstrates that mature collective bargaining relationships provide an effective underpinning for successful efforts to promote productive growth.

"Despite our lagging performance in the past 10 years, America is still the most innovative country in the world."

Role of Joint Committees

One effect of mature labor relations in private industry has been the development of joint labor-management committees to deal with productivity problems. Unions and their members recognize the stake in improved productivity, and do not view this issue as necessarily adverse to their interests. Today's public employees, like their industrial counterparts, recognize the advantages of growth and are prepared to do their part. However, they will not accept unjustified increases in workloads, nor will the general public tolerate "gimmickery" in the development of these programs.

In the absence of suitable bargaining relationships, such approaches as joint committees will not be effective. Under these conditions, management tends to impose its will by deciding unilaterally whether objections or suggestions by workers are reasonable. These circumstances inevitably guarantee that productivity problems will evolve into issues of contention between management and the work force.

Advanced productivity in government will not happen by simply increasing workloads, reducing the work force, limiting salaries, or cutting services. The concepts public employees associate with improved performance are participation, reward, recognition, responsibility. Through collective bargaining, management and labor can work together to implement productivity plans that achieve these objectives.

In this connection, Federal Mediation and Conciliation Service Director Wayne Horvitz suggested recently that the subject be separated from other collective bargaining issues and treated on its own merits. His rationale is that the crisis atmosphere of most negotiations is not conducive to attaining objective solutions to the problem.

The process of negotiation is the arena where workers voice opinions, express objections, and offer suggestions. The emotional side of the productivity issue can be reduced, and balanced approaches developed. Collective bargaining can help ensure that the operation of government will continue to rest on a philosophy of "public service." Until government managers realize the role of collective bargaining, greater productivity will remain a goal, not a reality.

Mr. McCart was appointed as the first Executive Director of the Public Employee Department after its establishment in 1974. He was an active union member at the Philadelphia Naval Shipyard in the 1940's, and is a former AFGE Director of Legislation and Operations Director for the Government Employees Council.

2

The American Federation of Government Employees (AFL-CIO)

Kenneth T. Blaylock
National President

THE American Federation of Government Employees (AFL-CIO) has been concerned with government efficiency and productivity throughout our 46-year history. That principle is enunciated as the second objective of our national constitution—"The Federation shall strive to promote efficiency in the government service, and shall advance plans of improvement to be secured by legislative enactment through cooperation with government officials and by other lawful means."

However, in the Federal sector, productivity is a far less tangible element than in the corporate world. That fact alone makes the union's role more critical in defining productivity standards and goals, and demands a mutual effort to achieve them.

In practice, standards of public service productivity are far more complex than those in the private sector.

Quality vs. Quantity

How much weight can the public service give to the quality as well as the quantity of work produced? Can the government afford, for example, to permit sheer quantitative measurement of its law enforcement operations to the detriment of qualitative dimensions of that purely governmental service? What happens to the personal and individual aspirations of men and women who are relying on the Equal Employment Opportunity Commission to provide them with justice on the job? A managerial decision in the public sector to expeditiously clear away case backlogs makes a decision for the users of the social service that may or may not take the qualitative consideration into account. In the private market, ideally the consumer makes that kind of choice in considering the relative value of goods and service.

If the measurement of public sector productivity is difficult, attaching a dollar value to it is nearly impossible. We don't necessarily subscribe to Chairman Campbell's viewpoint that productivity increases can produce decreased personnel costs. That's a short-term point of view. In the long run, arbitrary payroll savings, which have been imposed on Federal employees over the past several years, will have a negative effect on overall Federal productivity. Regardless of the overwhelming evidence that we can offer to substantiate the impressive increases in productivity that the Federal worker has been responsible for (our numbers have decreased in proportion to the U.S. population, while the functions we perform have become more complex and the responsibilities of the Federal Government have multiplied), the impression of that mythical man on the street remains a negative one. Even though Federal productivity has kept pace with the private sector, the Federal worker is still perceived as inefficient and uncaring.

"Even though Federal productivity has kept pace with the private sector, the Federal worker is still perceived as inefficient and uncaring."

Negative Public Image

Perhaps this union and our members can never change that fact. But we believe that our role as the employees' advocate requires that we try, because as long as that negative public image persists, Federal workers will present too tempting a target for the critics of government to resist. The overwhelming realization of the low status of the Federal worker was a key factor in this union's original determination to support both the principle and the legislative proposals involved in civil service reform. It's important to note here that the technique utilized by the Civil Service Commission and the President to "merchandise" reform didn't make our support any easier. Nor did the great debate over how many workers were fired for incompetence in a given year really address the question of efficiency; it simply waved the red flag in the public's face and further demoralized the work force.

But there were elements of the reform package that transcended that strategic defect. One of the primary attractions from our point of view involved the distinct separation of work force between management and rank

and file. This was a critical element of the reform. For the first time in the history of the Federal civil service the public will be able to distinguish between managers who make policy and direct resources; and the rank and file who are often held responsible if that policy and direction are inadequate.

Another dimension of the reform that enhances union participation in productivity improvement programs is the language contained in title VI of the law. For the first time, the government will be required by law to negotiate all aspects of a productivity plan with the labor organizations involved in any demonstration programs.

Neither the management-labor split imposed by the overall legislation nor the negotiation requirements on demonstration programs are revolutionary concepts, but both have been consistently resisted by Federal managers in the past as "intrusive" on their prerogatives.

Shared Responsibility

Now that these and other elements of the reform package are part of the law of the land, there is no question that Congress and the President intended that Federal management share its productivity responsibility with the labor unions representing Federal employees.

As far as AFGE was concerned, those essential elements of the reform package made productivity a joint responsibility. When you're sharing a responsibility, it only makes sense to share the tools you need to accomplish that objective.

We intend to see that the new structure provides legitimate protection for whistleblowers who report not just corruption, but evidence of waste and inefficiency. We intend to push for reform of contracting-out practices that have created a false impression of inefficiency by allowing private contractors to assume more and more easily accomplished (therefore more profitable) Federal jobs, leaving what Sen. William Proxmire (D-Wis.) refers to as the "dog work" to be done in-house by Federal workers.

"...there is no question that Congress and the President intended that Federal management share its productivity responsibility with the labor unions representing Federal employees."

Furthermore, we intend to encourage our Locals and Councils to discuss productivity at the bargaining table and to negotiate the terms of production standards, thus guarding against speedups. We will encourage involvement in bona fide joint productivity efforts on an equal access basis, but we will resist fancy plans and programs formulated by the hucksters who prey on government to try out their pet theories. From our experience, these have been no more than speedups in a tuxedo, which tend to ignore the union contract or at least circumvent the negotiation process.

In addition to the implementation of the new law and strict observance of an equal mutual role for labor and management in productivity planning, we recommend that the government look seriously at the real fat in the system. At present, there are 4.75 workers for each supervisor in the bureaucracy. While the working jobs are understaffed, managers are thick as flies. We're not talking here about the so-called "grade creep," but the problem of oversupervision imposed by the necessity of having something for the supervisory ranks to do. Here we would suggest a gradual effort by agency managers to look at planning and staffing arrangements to see to it that when they add jobs, the jobs are added to the working levels rather than to the ranks of management.

As the only union that has supported reform from its inception, we are hopeful that the commitment to productivity is genuine. That commitment, coupled with the properly applied provisions of the new law, should produce a visible upswing in the quality and quantity of service to the taxpayer. That can only herald a fresh image for the men and women who work for Uncle Sam.

Mr. Blaylock became the 13th National President of the AFGE in 1976. At 43, he is one of the youngest heads of a major union in the American labor movement. He has been active in AFGE since his first days as a Federal employee at Maxwell AFB, Ala.

3

The Independents...

National Federation of Federal Employees

James M. Peirce
President

THE NFFE has represented Federal employees since 1917 and has consistently supported the concept of governmental efficiency and productivity.

As a union, we have urged our members to perform to the highest possible standards. And they have, we think, to a remarkable degree. Federal employees are as productive and efficient as the circumstances permit. They are dedicated public servants.

Generally, the NFFE supports the use of productivity measurements. There are, however, many qualitative and quantitative factors that must be considered when the results of such measurements are compiled. For example, we know of no test or measurement currently used in the Federal sector or anywhere else that provides accurate and reliable data for all functions performed in the Federal sector. At best, any approach that attempts to measure productivity for all functions performed is probably no more than 60 percent valid. Results are contaminated by the human element and by imperfections in the methodologies employed.

Productivity can be measured relatively easily where pieces can be counted or in instances where rote procedures are utilized. However, measuring productivity in some areas is inappropriate and counterproductive, e.g., a NASA astronaut and HEW doctor, an FBI agent or a teacher. Additionally, it is difficult to measure changes in quality and composition of programmatic output.

Utilizing Data

There is a theory, which has some currency, that suggests the private sector can do almost anything more efficiently than can the public sector. We do not accept this theory and would strongly oppose the use of productivity measurements to further the goal of contracting out work to the private sector. There are other, equally compelling factors that should be considered. Factors such as national defense needs, efficiency, economic and social impact on the local community, reliability, and the quality and type of work performed. Moreover, we have found that contracting out may actually decrease productivity.

"...we believe that the measurement of productivity...should be conducted by an impartial and independent body that reports its findings to both agencies and the Congress."

It has been suggested that productivity data be used in budget and appropriation functions of Congress. We believe such data may be useful to the Congress in its oversight function and to the agencies for planning and identification of problems.

We do not, however, feel that such data can or should be used by appropriations committees and budget committees in assessing future budget requests. These judgments should be reserved for the legislative committees that have specific jurisdiction over the program or function in question.

Another factor that impacts on the use of productivity measurements by either the appropriations or budget committee relates to the use of personnel ceilings. Such ceilings are imposed either by Congress in the military agencies or by the Office of Management and Budget in other agencies. In either case, they have a direct and adverse impact on productivity.

Ceilings frequently require agencies to accomplish their missions without sufficient personnel. In fact, ceilings sometimes compel agencies to violate their own internal manpower standards. Understaffing promotes inefficiency because it requires the frequent use of overtime and spreads the work force too thin. Consequently, the personnel ceiling results in a decrease in productivity. Until Congress and OMB decide to let the agencies operate in an efficient manner by removing these highly artificial and unrealistic personnel ceilings, neither the budget committee nor any other committee should use productivity in assessing an agency's budget requirements.

Can Agencies Make Better Use of Data?

Clearly, the agencies can make better use of productivity data for

planning purposes. Moreover, assuming the data are valid, they will aid management in identifying the cause of problems and in directing appropriate corrective action. However, it is our judgment that management has not developed proper manpower standards, does not work with the manpower standards currently available, and is either unable or unwilling to use existing productivity measurements in a meaningful way. This, then, presents a field for improvement.

Recommendations for the Federal Government

We believe that private sector measurements are generally inappropriate in the Federal Government. Consequently, we believe that if such measurements are to be utilized in the public sector, new methods should be developed. These measurements should take into consideration the unique role of government in our society and should measure the ability of the government to deliver services, functions, and financial supports to the private sector. Finally, such measurements should reflect the participatory role of government in our society and should measure the impact of government on private enterprise.

Second, and in conjunction with our first recommendation, uniform criteria should be developed in order to achieve a degree of comparability between the agencies.

Third, we believe that the measurement of productivity, once appropriate tests are developed, should be conducted by an impartial and independent body that reports its findings to both the agencies and the Congress.

Fourth, we recommend that the Congress abolish personnel ceilings and require use of the merit system when civil service jobs are filled.

Finally, we note the phenomenon of agency reorganizations. We do not oppose the concept of governmental reorganization. If greater economy, efficiency, and productivity can be achieved by reorganizing the Government, we will support it. And we think the vast majority of Federal employees will, too. All too often, it is the structure of government that impedes efficiency and productivity. We do not, however, support reorganization for the sake of reorganization. On too many occasions we have seen the meaningless shuffle of boxes on someone's organizational chart. New layers are added, then taken away. The grand scheme of one administration becomes the bureaucratic mess of another. Authority is first centralized, then decentralized, and finally recentralized.

This incessant shifting and changing is, we suggest, more destructive of employee and agency productivity and efficiency than any other factor. Employees' morale disintegrates; they are concerned about their jobs, their families, their careers. In the meantime, efficiency and productivity suffer, the mission of the agency is impaired, and the taxpayers take it on the chin.

Granted, much valuable information would be available from productivity measurements whose validity was unquestioned. The overwhelming majority of Federal employees are proud of their production and would welcome comparisons with their counterparts in private business and industry, particularly in light of the widely held belief that their contribution to the public weal is less than satisfactory. The problem, however, is in measuring the production of individuals whose output, for whatever qualifying reasons, cannot be stacked and counted.

The field is wide open. The National Federation of Federal Employees will lend its support to any serious effort to genuinely measure productivity and to use these measurements in the public interest.

Mr. Peirce was elected NFFE National President in 1976 after serving in a number of local and national positions with the union. He retired from the Federal Government after a career of more than 26 years with Sheppard AFB, Tex.

4

National Association of Government Employees

Alan J. Whitney
Executive Vice-President
(Administrative)

THERE are several things a productivity program should not be:

1. A gimmick to reduce the budget or cut the work force.

2. Unilaterally imposed by management.

3. Lacking a formula for sharing the program's economic fruits with employees.

A program that is perceived by the employees to incorporate any or all of these negatives is destined for failure. At best, it will incur apathy; at worst, outright antipathy.

A program that is principally geared to a reduction of expenditures and the number of employees represents a direct threat to the economic security of the individual members of the work force. It may adversely affect their income, health, safety, and job security. In short, it brings under attack the most important elements of their jobs, and reflects an insensitivity on the part of management to their well-being.

The manager who demands or expects employee support of such a program is out of touch with reality, and runs the very real risk of seriously damaging the agency's ability to perform its mission.

The surest protection against such an eventuality is the observance of the second factor: recognition of the basic fact that employees will only support a program that has been developed with their participation through their union representatives.

Union Involvement Vital

Where a recognized labor organization exists, its involvement is not just valuable, it is vital to the development of a workable program.

The value of union participation is two-fold: First, it enhances or establishes the credibility of the productivity effort in the eyes of the employees; second, it taps the knowledge and experience of the people who know better than any job analyst ever could what takes place on a day-to-day basis in the work environment.

"The success of productivity programs in the Federal service...depends on how management answers the employees' dual question, which, stripped of all pretense, boils down to: What will it do to me and what's in it for me?"

The necessity of union participation is basic—if shut out of the development stage, neither the union nor the employees will support the program, and the absence of such support practically assures the program's failure.

The success of productivity programs in the Federal service, as in the private sector, finally depends on how management answers the employees' dual question, which, stripped of all pretense, boils down to: What will it do to me and what's in it for me?

The private sector manager has a ready answer at hand. He can point to the increased profits that will result from enhanced productivity, and assign portions to dividends, to capital improvements, and to increased income for the work force. In short, the economic benefits of the program can be shared by the company and by the employees.

The toughest task facing Federal managers will be to develop programs in cooperation with labor that offer measurable and substantive advantages for the employees. If imagination fails in this regard, so too will the programs.

The problem is particularly daunting in the Federal service because of the narrow scope of options available. Bargaining on money matters is nonexistent: Salary and wage scales, shift differentials, sick and annual leave, retirement, life and health insurance—all are controlled by statute. Decisions on reductions in force and reorganizations remain essentially untouchable (and even if they weren't, what union in possession of its senses would agree to a productivity program that would result in its members being separated or downgraded?)

A more mandatory charter is required than that contained in the

labor-management provisions of the Civil Service Reform Act. The "permissive" bargaining language of the management rights section provides only that negotiations may take place "*at the election of the agency* [emphasis added], on the numbers, types, and grades of employees or positions assigned to any organizational subdivision, work project, or tour of duty, or on the technology, methods, and means of performing work."

Thus it is clear that development of a meaningful mechanism for the kind of quid pro quo that is a necessary element of any ambitious productivity program will be severely inhibited in the Federal service. Former Labor Secretary James D. Hodgson commented, "We've got to show the worker how more productivity will translate into more purchasing power in his own pocket." The Federal Government cannot at this stage offer its own employees any such showing.

Advantages Must Outweigh Drawbacks

Given the limited flexibility available, modest efforts must be undertaken initially, and they must be carefully balanced to make no productivity demands on employees that are out of proportion to the incentives offered by management. In truth, employees' acceptance of a program will be based on a judgment that its advantages outweigh its drawbacks.

Just as careful attention must be paid to shaping a positive employee attitude toward productivity efforts, Federal agencies must take equal care to instill in their managers a healthy respect for the abilities, intelligence, and susceptibility to motivation of their workers.

"...what union in possession of its senses would agree to a productivity program that would result in its members being separated or downgraded?"

Douglas McGregor has classified managers as:

1. Those who assume that people are lazy, dislike work, avoid it, resist it, and require close supervision in order to make them work.

2. Those who assume that people basically like work, readily accept additional responsibility, and enjoy working hard—provided that they gain personal satisfaction from this work.

Those agencies having a preponderance of managers in the latter category have infinitely brighter prospects for achieving increased productivity, because it is in this category that most employees also fall. Those whose managers fit the first description will have lost the game before the first pitch is thrown; their employees, contrary to their natural instincts, will perform substantially as they perceive management expects them to perform, and any productivity programs attempted will founder on the shoals of distrust and opposition.

Where management looks upon productivity as a bilateral effort and accepts the fact that union involvement is a necessary element, and where management accepts as a given that the workers are entitled to share in the gains achieved because they have earned it, in those agencies basis for a reasonable expectation of success exists.

Ironically, it may well be that serious efforts to develop significant productivity programs in the Federal service will have to await the arrival of full collective bargaining; and even more ironically, success in achieving increased productivity may demand that management cede some of its holiest prerogatives.

Mr. Whitney was elected to the position of Executive Vice-President of NAGE in 1974 and re-elected in 1977, and was Director of the union's Washington office 1967-71. Major assignments are congressional relations, agency headquarters relations, and acting as union spokesman.

5

Association of Civilian Technicians

Vincent J. Paterno
President

SOME YEARS AGO at a conference on productivity in Williamsburg, sponsored by the Civil Service Commission, I began my presentation with the remark that "Productivity is a word spelled R.I.F." While I do not propose that this simplistic statement indicates my position, I do propose that perceptions of programs can be serious barriers to the accomplishment of goals. And because I am a union president my presentation will have an emphasis upon those matters of employee security, morale, and job contentment that can enhance productivity, as well as the possible union role to this end.

I believe that the first barrier to be removed is in the traditional management/union consultation methodology. Unions are almost never brought into meaningful discussions on long-range goals and methods of achievement. Consultation normally relates to the most immediate of management goals where the methodology has already been determined or where upper level directives have required an action. This normally provokes adversary positions and rarely, in my experience, does more than produce a clash between perceived management prerogatives and uncertain employee protections. If consultations between management and unions are to work in the public service both sides must operate more openly than in the private sector.

In the public service there is an "invisible third party" to all discussions and that is the taxpaying citizen. Both management and the employee can significantly relate to this third party in open discussion if the environment is established. The ultimate production of a better government service can be more specifically achieved if both parties can begin to communicate on a broader spectrum with a free exchange of concepts. Today both should be aware of the fact that Federal employment is basically static in spite of increasing demands that the ultimate arbitrator is the aforementioned "invisible third party."

"In the public service there is an 'invisible third party' to all discussions and that is the taxpaying citizen."

Role Changing

Regularly scheduled meetings to bring union representatives and management together in free and open discussion on planning and goals will not come easy. The union will have to discard its traditional role of critic, and management change its concept of prerogatives. A hard transition—but a needed one, so that when implementation of plans for improved efficiency and productivity are on the agenda, both sides will have participated in the preparation of goals and the areas of difference will have been limited to specifics rather than total opposition with regard to programs.

This worker-management committee principle is not new and has had limited success in the private sector. In the public area it should achieve more acceptance where there are no problems of real ownership, only psychological restraints of ego and tradition. Leadership and teamwork should be ultimately more productive than diverse understanding and direction.

Should management think that the greater sacrifice is theirs in this worker-management committee principle, I hasten to advise them that union participation is even more hazardous since union members are suspicious of dealings with management that do not seem to relate to immediate grievances, and hostility is often more applauded than cooperation. So both sides would have to assume their burdens in the search for mutual achievement.

Thus, as we search for a more motivated performance—which should in turn be a better employee performance—we should approach the possible innovations of flexitime with the understanding that if it does not equally serve the needs of both employee and organization, little will result. For decades the number of hours in a workweek have been of prime labor-management concern. This undoubtedly will continue, but may have been at least diluted by work hour restructuring.

Employees and management, tuned

by many years of performance, have generally abided standard structured work hours or shifts. However, with an increased public demand for government services after normal hours and workline tie-ins that run through three or more time zones in a world of increased rapid communication, things have changed. At the same time employee leisure requirements, double income households, outside business demands, and commuter problems have changed attitudinal responses within the worker group.

Absenteeism, tardiness, and nonproductive person hours can be equitably parlayed against worker needs and desires for varying time schedules. Both sides can profit, and productivity increase, if the "pens across the table" can achieve bargaining success.

Again we have the traditional opposition of management control and union standardization in the way. Let us "flex" into flexitime and gain mutual advantage. The barriers to agreement and achievement are far less substantial than they look.

Recognition at Worker Level

With rewards, awards, or recognitions, management has seen fit in the past to identify supervisors, managers, or individuals as recipients. Rarely has a recognition been given a group, an installation, or been extended at worker level. This needs remedy. In fact, it reminds me of a true story that happened in the military some years ago. A certain Armor Company had won the Division Award for being the best in the Division. The company commander (a captain) said to his executive officer (a lieutenant, who had a wit): "Shall I march the troops through the Division Review and have you accept the award or should you march the troops through and I accept the award?" The lieutenant (who to my knowledge never advanced further) said, "Why don't you march me through and have the troops accept the award?"

"Both sides can profit, and productivity increase, if the 'pens across the table' can achieve bargaining success."

My suggestion is that the "troops" can frequently and advantageously be given recognition. The only burden is a change in attitude and the gaining of an understanding about what "we" can gain in translation from "I." Like managers, supervisors, wives, husbands, children, and dogs, workers appreciate a kind word and recognition for their effort.

So as I make my case about how to achieve better performance and increased productivity, I must highlight my position by saying that unions and management must enhance their relationship toward better ends.

Management in the Federal service, to a large degree, has dealt with labor relations in a segmented fashion and tends to leave these problems to labor relations specialists hired for their technical conformity to regulations and laws, rather than to policy makers.

Unions, in response, have frequently acted in either adversary terms or acquiesced and only handled grievances after the fact.

If we are to meet new standards and goals, let management realize that unions are here to stay and let unions realize that their role expands each day. A more responsible performance can be achieved only if each party invites it. Examine yourself.

Mr. Paterno has been the President of the Association of Civilian Technicians since 1960 when he organized the unaffiliated labor organization that now exclusively represents over 10,000 civilian technicians of the Army and National Guard.

6

National Alliance of Postal and Federal Employees

Robert L. White
National President

CONTINUING to improve productivity is a major national concern. It is basic to many of the issues facing the country today. The present administration has set in motion the necessary options to bring about some needed changes in existing laws and regulations that affect the entire Federal work force.

On February 9, 1977, President Carter, in one of his several visits with Federal employees, said:

"We are not going to change things just for the sake of change. What I want to do is to have an efficient, economical, purposeful Government within which every employee, including the President, has a chance to use our ability and talent to an optimum degree, to serve others, not ourselves. And I think that this will be an exciting time."

Union Position

Our union, the National Alliance of Postal and Federal Employees, an independent labor union involved in the fight for human dignity and human rights for over 60 years, has carefully studied the provisions of civil service reform and reorganization. We are generally supportive of their aims and objectives.

We believe that greater access to Federal jobs by disadvantaged Americans is essential. Particular emphasis must be on increasing the participation of minorities, women, and disadvantaged groups. Greater access and increased participation in the Federal work force can be enhanced through the development and rigorous enforcement of a viable affirmative action program designed to achieve these objectives.

The greatest incentive to productivity is a favorable, encouraging, and supportive work environment. People join the work force with the motivation and expectation of doing a good job.

Federal agencies should place increased emphasis on improving the quality of work life as a means of enhancing productivity. Increased attention needs to be given to creating a climate that fosters individual growth; provides an opportunity for meaningful and challenging work; gives recognition to deserving employees; affords employees an opportunity to have a voice in the decisions that affect them; and is sensitive to meeting the higher level needs of employees.

"The greatest incentive to productivity is a favorable, encouraging, and supportive work environment."

Each agency should be required to develop a work force planning system that supports and is integrated with zero based budgetary decisions. OMB leadership should develop broad criteria for work force planning systems, for oversight of the systems, and for accepting work force planning and related productivity data as a basis for budgetary decisions.

Equal employment opportunity and affirmative action touch upon every area of personnel management. In order to effect timely accomplishment of EEO objectives in all Federal agencies, there must be strong central direction and enforcement. The agency assigned responsibility for EEO program leadership should issue Federal goals and timetables based on understandable definitions of underrepresentation. It must set policy, then establish and distribute guidelines consistent with those set for Government contractors and grantees, from a strong advocacy position. It must set precedents on tough issues, require agency plans and timetables, and strictly enforce their implementation. It must require and enforce corrective action when there is agency noncompliance, or when ineffective equal opportunity results. It must provide agencies with the tools and data necessary to measure progress.

Agency management commitment and EEO effectiveness vary greatly from one agency to another and sometimes between different organizational levels in the same agency. There should be mandated a separate organizational unit for the EEO program whose director reports directly to the agency head. Separate program units within the EEO function for the Federal Women's, Spanish-Speaking, Handicapped Programs, et al, should be required.

The EEO staff should be well qualified, based on demonstrated competence in bringing about constructive

organizational change. They should be delegated the necessary authority and given status in the organization to press for corrective action when needed. They should also have adequate access to and control over necessary human and budgetary resources to accomplish program goals.

Equal employment opportunity plans are generally criticized as ineffective. So that agencies acquire the capability to develop, implement, and evaluate EEO plans that accomplish meaningful results, the agency should use a central personnel entity to clearly define standards and methods for setting measurable objectives, for problem analysis, and for prescribing corrective actions.

Management flexibilities should be encouraged and accelerated. When assessment of the work force reflects gross underrepresentation of minorities and women, a central personnel agency should mandate management utilization of existing flexibilities to augment the usual intake of minorities and women. To accelerate the accomplishment of EEO and correct gross underrepresentation of minorities and women, new mechanisms for managers to use will have to be created. The following are some options:

—Provide ceiling relief to facilitate recruitment of minorities and women.

—Require OPM to develop alternative routes for minorities to enter PACE-type occupations.

—Require that the selection of minorities and women to meet equal opportunity goals be a valid reason for selection.

—OPM should require periodic reports from the agencies that would track number and percentage of minorities and females who applied, passed the exam, were referred, and who were selected.

Clerical and secretarial positions remain the main avenue of entry for women into the work force. To provide mobility and advancement of lower grade employees, especially women, into professional mid-level and senior-level positions, agencies should review and revise classification standards for clerical, secretarial, and technical positions to include and provide for a wider range of responsibilities that can lead to crossover positions outside the general administration (300) series.

"Increased attention needs to be given to creating a climate that...affords employees an opportunity to have a voice in the decisions that affect them...."

Reports received from hearings conducted by the Civil Service Commissioners and interviews with responsible individuals in the public sector have revealed that the elements of the EEO program that are monitored and evaluated vary from agency to agency. In addition, these sources indicated that there were wide standards used by agencies and by the Commission as a measure of acceptable performance. Monitoring, evaluation, and enforcement systems should be improved to ensure that agencies and managers are held accountable for achieving EEO objectives.

Labor Relations

With respect to scope of bargaining, two approaches to improvement of productivity and quality of working life (and labor relations) are practiced: (1) use of bilateral committees to work for improvements, and (2) productivity bargaining.

Productivity bargaining, as technically defined, is generally out of place in the Federal Government because economic issues are not bargained at the plant or operating level and because restrictive work rules are not commonly the result of collectively bargained rules.

Bilateral consultation committees with specific agendas on approaches to improvement of productivity and quality of working life are well-suited to the Federal labor-management relations program.

No change in laws or regulations is required to implement consultation. What is required is leadership by union and management representatives, with some clearer identification in government of who constitutes management.

Mr. White is National President of the only black-controlled national labor union in the country. He has received numerous awards from union locals and districts, and has been listed in Ebony *Magazine* for 7 consecutive years as one of the "100 Most Influential Black Americans."

The New and the Novel

Unless otherwise noted, these publications are available from the U.S. Government Printing Office, Public Documents Department, Washington, D.C. 20402. GPO stock numbers and single issue prices follow the listings. When this information is not shown, the publication had not been printed at ***Journal*** presstime, so the stock numbers and price were not known. Once GPO prints the publication, that information can be obtained by calling (202) 783-3238. Prices for bulk orders can be obtained at the same number.

A more thorough listing of new publications in the field of personnel administration is the monthly periodical, ***Personnel Literature***. It lists books, magazine and journal articles, and other material by subject. A year's subscription costs $15.00 and can be ordered from GPO from the above address.

To receive a free monthly listing of all Bureau of Labor Statistics publications, write to: Bureau of Labor Statistics, U.S. Department of Labor, Room 1539, GAO Bldg., Washington, D.C. 20212.

Howard Stevens

Digest of Labor Arbitration Awards in the Federal Service. Summarizes issue, award, and arbitrator's opinion for more than 1,600 arbitration awards. Includes arbitrator's name, date of award, and identity of the parties. Primarily for labor-management practitioners, but useful for all in the labor relations community. 750 pp. Separate updates will come three times a year. Available from National Technical Information Service, 5285 Port Royal Rd., Springfield, VA 22161. (Accession Number PB 285688) $24.00

Employment in Perspective: Working Women. A new quarterly report with data on women in the labor force. Includes highlights on topics of special concern, such as rising female labor force participation rates, multiearner families, and women who head families. To get on the mailing list, write: Section of Inquiries and Correspondence, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C. 20212.

Improving Productivity: A Self Audit and Guide for Federal Executives and Managers. A handbook for productivity improvement that helps you determine where you are, where you want to be, and how to get there. Discusses getting support for productivity improvement from both management and employees, measuring productivity, selecting areas for improvement, and analyzing effectively. 68 pp. (052-003-00592-1) $2.40

Index of Federal Labor Relations Cases. Contains Federal sector arbitration awards and case determinations (indexed by subject and tabulated for cross-reference) of the Federal Labor Relations Council, the Federal Service Impasses Panel, and the Assistant Secretary of Labor for Labor-Management Relations. Primarily for labor-management practitioners, but useful for all in the labor relations community. 225 pp. Separate updates will come three times a year. Available from the National Technical Information Service, 5285 Port Royal Rd., Springfield, VA 22161. (Accession Number PB 285687) $9.50

Problems on the Job, A Supervisor's Guide to Coping. Tells how to handle employees with alcohol, drug, or emotional problems. Advises where to step in, how to follow through, where to refer employees for further help, and how to act when the employee gets back on the job. 8 pp. (006-000-01067-9)

Productivity in the Changing World of the 1980's: The Final Report of the National Center for Productivity and Quality of Working Life. Outlines, both nationally and for specific sectors, what has been, is being, and needs to be done to increase productivity. Recommends actions, both public and private, to raise the country's productivity growth rate. Lists all NCPQWL publications and summarizes many productivity-related projects in other agencies. For managers with productivity policy responsibilities. 92 pp. (052-003-00578-6) $3.25

Total Performance Management: Some Pointers for Action. Describes for top managers the Total Performance Management system for improving productivity. Tells how to apply basic principles of TPM, but not technical details for each situation. Tells what conditions, planning, and actions are necessary and what results can be expected. 49 pp. (052-003-00577-8) $2.40

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